

REBUTTAL TESTIMONY

of

MARY H. EVERSON

Accounting Department
Financial Analysis Division
Public Utilities Bureau
Illinois Commerce Commission

Illinois-American Water Company

Annual Reconciliation of Purchased Water and Purchased Sewer Treatment
Surcharges

Docket No. 04-0258

September 16, 2004

1 Witness Identification

2 Q. Please state your name and business address.

3 A. My name is Mary H. Everson. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

5 Q. Are you the same Mary H. Everson that filed direct testimony in this proceeding?

6 A. Yes.

7 Purpose of Testimony

8 Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is to respond to the rebuttal testimony of Illinois
10 American Water Company's witness Michael A. Rumer.

11 Schedules

12 Q. Are you presenting any schedules with your testimony?

13 A. Yes. I am presenting reconciliation schedules for IAWC's purchased water and
14 purchased sewer surcharge reconciliations for 2003.

15 Q. Are these the same schedules that you presented with your direct testimony?

16 A. The schedules are the same with one exception. In my direct testimony I noted
17 that amounts for the Romeoville sewer charge were not fully supported by the
18 Company.

19 Q. Did the Company provide additional invoices to support the costs paid to
20 Romeoville for purchased sewer treatment costs?

21 A. Yes. Mr. Rumer attached copies of invoices that were not provided for my
22 original review.

23 Q. Do you agree with the Company's rebuttal position?

24 A. Yes. The amounts included in the Company's Rebuttal have been adequately
25 supported and I do not object to them.

26 Q. Do the amounts reflected in ICC Staff Exhibit 2.0, Schedules 1-4 present revised
27 amounts based on the additional information provided in the Company's rebuttal
28 testimony?

29 A. Yes. The only surcharge reconciliation that is impacted by this information is the
30 Romeoville sewer charge. Thus, ICC Staff Exhibit 2.0 Schedules 3 and 4RV
31 include revised amounts. The remaining schedules are the same as those
32 presented with my direct testimony.

33 Summary

34 Q. Please summarize the results of your review of the purchased water clauses.

35 A. ICC Staff Exhibit 2.0, Schedule 1 reflects the total recoverable purchased water
36 cost for the 2003 reconciliation period of \$13,908,886 and the total revenue
37 recovered for the 2003 reconciliation period of \$12,735,366. The amount of
38 \$1,173,520 is the under-recovery that is attributable to the 2003 reconciliation
39 period. This amount, combined with the under-recoveries not yet collected from
40 the prior period of \$258,410 results in a total due the Company of \$1,431,930. Of

41 that amount, \$254,496 has been included in the R Factor that is being collected
42 during 2004. The remaining amounts of \$476,131, \$392,694 and \$308,609
43 (Factor R) will be collected in rates in 2005, 2006, and 2007 respectively.

44 Q. Please summarize the results of your review of the purchased sewer clauses.

45 A. ICC Staff Exhibit 2.0, Schedule 3 column F reflects the total recoverable
46 purchased sewerage treatment cost for the 2003 reconciliation period of
47 \$652,814 and the total revenue recovered for the 2003 reconciliation period of
48 \$531,787. The amount of \$121,027 is the under-recovery that is attributable to
49 the 2003 reconciliation period. This amount combined with the over-recoveries
50 not yet collected from the prior period of \$104,377 results in a total due the
51 Company of \$16,650. Of that amount, \$217 has been included in the R Factor
52 that is being collected during 2004. The Company-determined R Factor \$18,109
53 which represents an under-collection is adjusted by the results of my review and
54 therefore, \$1,676 is due to the customers. This amount should be refunded to the
55 customers in rates for 2005.

56 Recommendations

57 Q. Do you have any recommendations?

58 A. Yes, I recommend that the Commission adopt the Purchased Water Surcharge
59 Reconciliations as presented on my Exhibit 2.0, Schedule 1. I further recommend
60 that the Commission adopt the Purchased Sewer Treatment Surcharge
61 Reconciliations as presented on my Exhibit 2.0, Schedule 3. I further recommend
62 that the O Factor in the Romeoville service area be refunded to the ratepayers

63 and should include an interest component in accordance with 83 Ill. Adm. 655(c).
64 The refund and collection of the O factor and interest should be accomplished by
65 their inclusion as part of the water and sewer charge calculated with the first
66 information sheet that the Company files subsequent to the Order in this Docket.

67 Q. Does this end your rebuttal testimony?

68 A. Yes.

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary
 For the Year Ended December 31, 2003
 Total Company

RECONCILIATION

Line No.	Description	Alpine Heights	Chicago Suburban	Dupage County	Fernway	Moreland	Southwest Suburban	Waycinden	Total (Sum of (B) - (H))
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ 1,698	\$ 80,507	\$ (16,596)	\$ 5,474	\$ (1,866)	\$ 156,576	\$ 26,211	\$ 252,004
2	Interest on 2002 Factor O	\$ 24	\$ 484	\$ (62)	\$ 139	(13)	5,949	(115)	6,406
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)			\$ -	\$ -	-	-	-	-
4	(Over)/Under- Recovery to be recovered in future periods	\$ 1,722	\$ 80,991	\$ (16,658)	\$ 5,613	\$ (1,879)	\$ 162,525	\$ 26,096	\$ 258,410
5	2003 Recoverable Purchased Water Cost	56,288	1,570,388	2,007,541	372,549	27,248	9,329,374	545,498	13,908,886
6	2003 Revenue Recovered	56,434	1,486,769	1,946,454	365,905	25,607	8,329,644	524,553	12,735,366
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	(146)	83,619	61,087	6,644	\$ 1,641	\$ 999,730	\$ 20,945	\$ 1,173,520
8	Less 2002 Factor O plus interest to be recovered in 2004 rates	942	19,253	(2,480)	5,440	(523)	236,428	(4,564)	254,496
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	634	87,075	46,909	6,817	285	308,609	25,802	476,131
10	Less 2003 R Factor to be (refunded)/recovered in 2006 rates	-	58,282	-	-	-	308,609	25,803	392,694
11	Less 2003 R Factor to be (refunded)/recovered in 2007 rates	-	-	-	-	-	308,609	-	308,609
12	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9- Line 10 - Line 11)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources:
 ICC Staff Ex. 2.0 Schedules 3

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Alpine Heights
 For the Year Ended December 31, 2003

<u>Line No</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 1,698
2	Interest on 2002 Factor O	-		24
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>780</u>		<u> </u>
4	(Over)/Under- Recovery to be recovered in future periods	780	-	1,722
5	2003 Recoverable Purchased Water Cost	56,288	-	56,288
6	2003 Revenue Recovered	<u>\$ 56,434</u>	<u>\$ -</u>	<u>\$ 56,434</u>
7	2003 (Over) Under-Recovery Balance at December 31, 2003 (Line 5 - Line 6)	(146)	-	(146)
8	Less 2002 Factor O plus interest to be recovered in 2004 rates	-		942
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	<u>634</u>		<u>634</u>
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 +Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

**Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Chicago Suburban
 For the Year Ended December 31, 2003
 Variable Costs**

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 4,192
2	Interest on 2002 Factor O	-		299
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(7,409)</u>		<u></u>
4	(Over)/Under- Recovery to be recovered in future periods	(7,409)	-	4,491
5	2003 Recoverable Purchased Water Cost	882,012	-	882,012
6	2003 Revenue Recovered	<u>\$ 845,810</u>	<u>-</u>	<u>\$ 845,810</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	36,202	-	36,202
8	Less 2002 Factor O plus interest to be recovered in 2004 rates	-		11,900
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	<u>28,793</u>		<u>28,793</u>
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8 - Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 2 CS-F

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Chicago Suburban
 For the Year Ended December 31, 2003
 Fixed Costs

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179) \$	-		\$ 76,315
2	Interest on 2002 Factor O	-		185
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>69,147</u>		
4	(Over)/Under- Recovery to be recovered in future periods	69,147	-	76,500
5	2003 Recoverable Purchased Water Cost	688,376	-	688,376
6	2003 Revenue Recovered	<u>\$ 640,959</u>	<u>\$ -</u>	<u>\$ 640,959</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	47,417	-	47,417
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		7,353
9	Less 2003 R Factor to be recovered in 2005 rates	58,282		58,282
10	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	58,282		58,282
11	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9- Line 10)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Dupage County
 For the Year Ended December 31, 2003
 Variable Costs

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ (36,313)
2	Interest on 2002 Factor O	-		(234)
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(27,214)</u>		<u> </u>
4	(Over)/Under- Recovery to be recovered in future periods	(27,214)	-	(36,547)
5	2003 Recoverable Purchased Water Cost	1,384,263	-	1,384,263
6	2003 Revenue Recovered	<u>\$ 1,294,312</u>	<u>\$ -</u>	<u>\$ 1,294,312</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	89,951	-	89,951
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		(9,333)
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	62,737		62,737
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Dupage County
 For the Year Ended December 31, 2003
 Fixed Costs

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 19,717
2	Interest on 2002 Factor O	-		172
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>13,036</u>		<u> </u>
4	(Over)/Under- Recovery to be recovered in future periods	13,036	-	19,889
5	2003 Recoverable Purchased Water Cost	623,278	-	623,278
6	2003 Revenue Recovered	<u>\$ 652,142</u>	<u>\$ -</u>	<u>\$ 652,142</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	(28,864)	-	(28,864)
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		6,853
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	(15,828)		(15,828)
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4+ Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 2 F

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Fernway
 For the Year Ended December 31, 2003

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 5,474
2	Interest on 2002 Factor O	-		139
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>173</u>		<u> </u>
4	(Over)/Under- Recovery to be recovered in future periods	173	-	5,613
5	2003 Recoverable Purchased Water Cost	372,549	-	372,549
6	2003 Revenue Recovered	<u>\$ 365,905</u>	<u>\$ -</u>	<u>\$ 365,905</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	6,644	-	6,644
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		5,440
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	6,817		6,817
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>-</u>		<u>-</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 2 M

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Moreland
 For the Year Ended December 31, 2003

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ (1,866)
2	Interest on 2002 Factor O	-		(13)
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(1,356)</u>		<u> </u>
4	(Over)/Under- Recovery to be recovered in future periods	(1,356)	-	(1,879)
5	2003 Recoverable Purchased Water Cost	27,248	-	27,248
6	2003 Revenue Recovered	<u>\$ 25,607</u>	<u>\$ -</u>	<u>\$ 25,607</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	1,641	-	1,641
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		(523)
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	285		285
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 2 SWS

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Southwest Suburban
 For the Year Ended December 31, 2003

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 156,576
2	Interest on 2002 O Factor	-		5,949
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(73,903)</u>		<u>-</u>
4	(Over)/Under- Recovery to be recovered in future periods	(73,903)	-	162,525
5	2003 Recoverable Purchased Water Cost	9,329,374	-	9,329,374
6	2003 Revenue Recovered	<u>\$ 8,329,644</u>	<u>\$ -</u>	<u>\$ 8,329,644</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	999,730	-	999,730
8	Less 2002 Factor O plus interest to be recovered in 2004 rate:	-		236,428
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	308,609		308,609
10	Less 2003 R Factor to be (refunded)/recovered in 2006 rates	308,609		308,609
11	Less 2003 R Factor to be (refunded)/recovered in 2007 rates	308,609		308,609
12	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + line 7 -Line 8 - Line 9 - Line 10- Line 11)	<u>-</u>		<u>-</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 2 W

Illinois-American Water Company
 Purchased Water Surcharge Reconciliation Summary - Waycinden
 For the Year Ended December 31, 2003

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 26,211
2	Interest on 2002 Factor O	-		(115)
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>30,660</u>		<u>-</u>
4	(Over)/Under- Recovery to be recovered in future periods	30,660	-	26,096
5	2003 Recoverable Purchased Water Cost	545,498	-	545,498
6	2003 Revenue Recovered	<u>\$ 524,553</u>	<u>\$ -</u>	<u>\$ 524,553</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	20,945	-	20,945
8	Less 2002 Factor O plus interest to be recovered in 2004 rate:	-		(4,564)
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	25,802		25,802
10	Less 2003 R Factor to be (refunded)/recovered in 2006 rates	25,803		25,803
11	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9- Line 10)	<u>-</u>		<u>-</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation Summary
 For the Year Ended December 31, 2004

Line No.	Description	Country Club	Valley View	Romeoville	Rollins	Total
	(A)	(B)	(C)	(D)	(E)	(F)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -	\$ -	\$ 179	\$ -	\$ 179
2	Interest on 2002 Factor O	-	-	5	-	5
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(16,257)</u>	<u>(88,304)</u>			<u>(104,561)</u>
4	(Over)/Under- Recovery to be recovered in future periods	(16,257)	(88,304)	184	-	(104,377)
5	2003 Recoverable Purchased Sewer Treatment Cost	215,805	420,404	14,497	2,108	652,814
6	2003 Revenue Recovered	<u>\$ 208,240</u>	<u>\$ 302,688</u>	<u>\$ 18,681</u>	<u>\$ 2,178</u>	<u>\$ 531,787</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	7,565	117,716	(4,184)	(70)	121,027
8	Less 2002 Factor O plus interest to be recovered in 2004 rates	-	-	217	-	217
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	(8,692)	29,412	(2,541)	(70)	18,109
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,676)</u>	<u>\$ -</u>	<u>\$ (1,676)</u>

Sources:
 ICC Staff Ex. 2.0 Schedules 4

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 4 CC

Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation Summary - Country Club
 For the Year Ended December 31, 2004

<u>Line No.</u>	<u>Description</u>	<u>Per Staff</u>	<u>Per IAWC</u>	<u>Adjustment (B) - (C)</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ -
2	Interest on 2002 Factor O	-		-
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(16,257)</u>		<u>(16,257)</u>
4	(Over)/Under- Recovery to be recovered in future periods	(16,257)	-	(16,257)
5	2003 Recoverable Purchased Water Cost	215,805	-	215,805
6	2003 Revenue Recovered	<u>\$ 208,240</u>	<u>\$ -</u>	<u>\$ 208,240</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	7,565	-	7,565
8	Less 2002 Factor O plus interest to be recovered in 2004 rate	-		-
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	(8,692)		(8,692)
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

Docket No. 04-0258
 ICC Staff Exhibit 2.0
 Schedule 4 VV

Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation - Valley View
 For the Year Ended December 31, 2004

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ -
2	Interest on 2002 Factor O	-		-
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(88,304)</u>		<u>(88,304)</u>
4	(Over)/Under- Recovery to be recovered in future periods	(88,304)	-	(88,304)
5	2003 Recoverable Purchased Water Cost	420,404	-	420,404
6	2003 Revenue Recovered	<u>\$ 302,688</u>	<u>\$ -</u>	<u>\$ 302,688</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	117,716	-	117,716
8	Less 2002 Factor O plus interest to be recovered in 2004 rate:	-		-
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	29,412		29,412
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

**Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation Summary - Romeoville
 For the Year Ended December 31, 2004**

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ 179
2	Interest on 2002 Factor O	-		5
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	<u>(33)</u>		<u>-</u>
4	(Over)/Under- Recovery to be recovered in future periods	(33)	-	184
5	2003 Recoverable Purchased Water Cost	16,173	(1,676)	14,497
6	2003 Revenue Recovered	<u>\$ 18,681</u>	<u>\$ -</u>	<u>\$ 18,681</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	(2,508)		(4,184)
8	Less 2002 Factor O plus interest to be recovered in 2004 rate:	-		217
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	(2,541)		(2,541)
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ (1,676)</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D and Company Exhibit R-1.1, pages 1-14
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

**Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation Summary - Rollins
 For the Year Ended December 31, 2004**

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
	(A)	(B)	(C)	(D)
1	2002 Reconciliation (Over) Under Recovery Balance (2002 Reconciliation balance per Order Docket No. 03-0179)	\$ -		\$ -
2	Interest on 2002 Factor O	-		-
3	R Factor Unamortized Balance at December 31, 2002 (Company determined 2002 reconciliation balance)	-		-
4	(Over)/Under- Recovery to be recovered in future periods	-	-	-
5	2003 Recoverable Purchased Water Cost (August 17-Dec. 31,	2,108	-	2,108
6	2003 Revenue Recovered (August 17-Dec. 31, 2003)	<u>\$ 2,178</u>	<u>\$ -</u>	<u>\$ 2,178</u>
7	2003 (Over) Under-Recovery Balance (Line 5 - Line 6)	(70)	-	(70)
8	Less 2002 Factor O plus interest to be recovered in 2004 rates	-		-
9	Less 2003 R Factor to be (refunded)/recovered in 2005 rates	(70)		(70)
10	2003 O Factor to be (refunded)/recovered in 2005 (Line 4 + Line 7 - Line 8- Line 9)	<u>\$ -</u>		<u>\$ -</u>

Sources:

Column (B): Per Company amounts from IAWC Exhibit D
 Column (C): Adjustments to current year reconciliation proposed by Staff
 Column (D): Staff Amount

**Illinois-American Water Company
 Purchased Sewer Treatment Surcharge Reconciliation Summary - Romeoville
 For the Year Ended December 31, 2004**

<u>Line No.</u>	<u>Description</u>	<u>Per Company</u>	<u>Staff Adjustment</u>	<u>Per Staff</u>
(A)	(B)	(C)	(D)	(E)
1	1400 Bluff Road	\$ 1,913	\$ (0)	\$ 1,913
2	1408 Joliet Road	313	-	313
3	1412 Joliet Road	187	(15)	172
4	1413 Sherman	608	(32)	576
5	1424 Sherman	272	9	281
6	1404 Sherman	433	(41)	392
7	1412 Sherman	731	(1)	730
8	1428 Sherman	392	-	392
9	1404 Joliet Road	1,499	(97)	1,402
10	310 Crossroads	4,364	(63)	4,301
11	309 Crossroads	556	(145)	410
12	150 Crossroads	1,376	(1,235)	142
13	101 Crossroads	2,245	(55)	2,190
14	571 Joliet Road	1,283	(0)	1,283
	Totals	<u>\$ 16,173</u>	<u>\$ (1,676)</u>	<u>\$ 14,497</u>