

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Harbor Ridge Utilities, Inc.)
)
Petition pursuant to Section 9-220.2 of the Illinois)
Public Utilities Act and 83 Illinois Administrative) Docket No. _____
Code 200 for the approval of the annual)
reconciliation for and the resulting increase in)
the surcharge for purchased sewer.)

PETITION

To the Illinois Commerce Commission:

Harbor Ridge Utilities, Inc. (“Harbor Ridge” or the “Company”) hereby requests, pursuant to Section 9-220.2 of the Public Utilities Act (the “Act”), 220 ILCS 5/9-220.2, that the Illinois Commerce Commission (the “Commission”) enter an order approving the annual reconciliation for the surcharge for purchased sewer, and thereby approving an increase in the surcharge for purchased sewer. In support of its Petition, the Company states as follows:

1. Utilities, Inc. is the parent company of Harbor Ridge. Utilities, Inc. is a corporation duly incorporated under the laws of the State of Illinois and is duly authorized to transact business in the State of Illinois. Harbor Ridge is a public utility within the meaning of the Act and is engaged in the business of furnishing sewer public utility service to the public in a subdivision near Antioch, Illinois.

2. The Company’s schedule ILL.C.C. No. 11, Third Revised Information Sheet No. 1 provides a surcharge for sewer service to compensate the Company for the amount payable to the Lake County Public Works for purchased sewer services for the Harbor Ridge subdivision.

This schedule was filed on April 18, 2005 and the respective surcharge for purchased sewer (the “effective surcharge”) was effective as of May 1, 2005.

3. Pursuant to Section 655.5 (d) of 83 Illinois Administrative Code (the “Code”), the annual reconciliation year for the effective surcharge begins on January 1, 2005 and ends on December 31, 2005.

4. The effective surcharge was calculated based on estimated costs of purchased sewer from Lake County Public Works and estimated customer consumption in gallons. The actual costs of purchased sewer and actual customer consumption in gallons for the reconciliation year are documented on Schedule 1, which is attached hereto.

5. The revenue arising from the effective surcharge in the reconciliation year, as indicated on Schedule 2 attached hereto, was not sufficient to cover all costs of purchased sewer.

6. The 2005 annual reconciliation includes a Commission ordered “O” factor of (\$49), which was approved and accepted in Docket No. 05-0175 to be included in the 2005 annual reconciliation. This was due to interest that was due on the 2003 R factor.

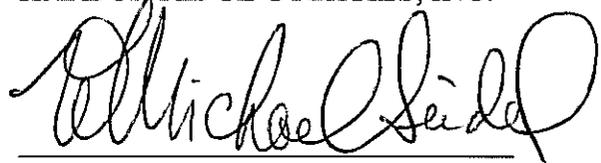
7. The difference between the revenue collected through the effective surcharge and the cost of the purchased sewer is documented on Schedule 3, which is attached hereto. Pursuant to Section 655.50(b)(3) of the Code, this difference is the reconciliation component (R) of the surcharge calculation.

8. Therefore, it is in the public interest that there is a proper match of expense and revenue recovery. Schedule 4, which is attached hereto, is a revised surcharge calculation that includes the reconciliation component derived from the annual reconciliation. The Lake County surcharge will increase from \$3.59 per 1,000 gallons to \$3.67 per 1,000 gallons.

Wherefore, Harbor Ridge respectfully requests that the Commission approve the annual reconciliation of the surcharge for purchased sewer pursuant to Section 9-220.2 of the Act, which thereby increases the surcharge for purchased sewer.

Respectfully submitted,

HARBOR RIDGE UTILITIES, INC.

A handwritten signature in black ink, appearing to read "W. Michael Seidel". The signature is written in a cursive style with a horizontal line underneath it.

One of Its Attorneys

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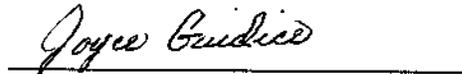
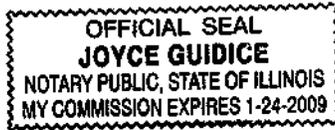
VERIFICATION

I, Steven Dihel, hereby affirm that the information contained in the foregoing Petition is true and accurate to the best of my knowledge and belief.



Steven Dihel
Regulatory Accountant

SWORN TO and subscribed before me
this 29th day of March, 2006.


Notary Public

Harbor Ridge Utilities, Inc.
Purchased Sewer Costs

Schedule 1

A: For the 12 months ended 12/31/05

<u>Date</u>	<u>Invoice Number</u>	<u>Invoice Period</u>	<u>Charge per 1000 Gal</u>	<u>Consumption (Gal)</u>	<u>Amount</u>	<u>Billing Adjustments</u>	<u>Adjusted Total</u>
Jan-05	74300	1/1/05-1/15/05	\$ 3.67	601,053	\$ 2,205.86	(14.84)	\$ 2,191.02
Feb-05							
Mar-05	80647	1/16/05-3/15/05	\$ 3.67	2,298,758	\$ 8,436.44		\$ 8,436.44
Apr-05							
May-05	85758	3/16/05-5/15/05	\$ 3.67	1,875,177	\$ 6,881.90		\$ 6,881.90
Jun-05							
Jul-05	90558	5/16/05-7/15/05	\$ 3.59	2,278,081	\$ 8,178.31		\$ 8,178.31
Aug-05							
Sep-05	95977	7/16/05-9/15/05	\$ 3.59	2,280,262	\$ 8,186.14	6.26	\$ 8,192.40
Oct-05							
Nov-05	1485	9/16/05-11/15/05	\$ 3.59	2,550,802	\$ 9,157.38	-65.21	\$ 9,092.17
Dec-05							
Jan-06	7326	11/16/05-12/31/05	\$ 3.59	1,575,594	\$ 5,656.38		\$ 5,656.38
Total				<u>13,459,726</u>	<u>48,702</u>		<u>\$ 48,629</u>

Jan-05 consumption is calculated by taking the total consumption for the period of 11/15/04-1/15/05 and multiplying by the amount of days in January divided by the total days for the period, which is 61.

Jan-06 consumption is calculated by taking the total consumption for the period of 11/15/05-1/15/06 and multiplying by the amount of days from Nov'15 to Dec'31, divided by the total days for the period, which is 61.

Harbor Ridge Utilities, Inc.
Purchased Sewer Revenue Recorded
A: For the 12 months ended 12/31/05

Schedule 2

<u>Date</u>	<u>Revenue Recovered</u>
Jan-05	
Feb-05	8,359.56
Mar-05	
Apr-05	6,815.89
May-05	
Jun-05	8,164.23
Jul-05	
Aug-05	8,104.36
Sep-05	
Oct-05	9,123.36
Nov-05	
Dec-05	7,279.30
	<u>47,846.70</u>

Harbor Ridge Utilities, Inc.
Purchased Sewer Surcharge Reconciliation
A: For the 12 months ended 12/31/05

Schedule 3

<u>Date</u>	<u>Purchased Sewer Costs</u>	<u>Revenue Recovered</u>	<u>Difference</u>
Jan-05	2,191.02		
Feb-05			
Mar-05	8,436.44	8,359.56	-2,267.90
Apr-05			
May-05	6,881.90	6,815.89	-66.01
Jun-05			
Jul-05	8,178.31	8,164.23	-14.08
Aug-05			
Sep-05	8,192.40	8,104.36	-88.04
Oct-05			
Nov-05	9,092.17	9,123.36	31.19
Dec-05			
Jan-06	5,656.38	7,279.30	1,622.92
	<u>48,628.62</u>	<u>47,846.70</u>	<u>-781.92</u>

Harbor Ridge Utilities, Inc.
Revised Purchased Sewer Surcharge
(including reconciliation component)
A: For the 12 months ended 12/31/05

$$VC = VSC + Rv + Ov / VBU$$

VSC = 48,628.62

Rv= 781.92

Ov= (49.00)

VBU= 13,460

VC= 3.67