

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Calculation of Variable Purchased Water Price
December, 2005

FORMULA FACTORS

1. Purchases water charge in effect, per 1,000 gallons, effective August 1, 2005:	\$	1.96
2. Unit rate for variable purchased water cost and/or alternate delivery (wheeling) costs, per 1,000 gallons, per Exhibit B:	\$	1.638
3. Metered usage plus unaccounted-for water usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December) with a maximum of 12.43% unaccounted for water:		532,806
4. Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December):		466,578
5. Balance of unrecovered or (overrecovered) Supply Charge costs, per Exhibit D:	\$	(135,390)

CALCULATION OF VARIABLE COMPONENT

In accordance with Ill. Adm. Code 655:

Purchased Variable Water Charge in Effect (\$/gal)	Estimated Purchased Water Cost and/or Alternate Delivery Variable Costs	+	Commission-ordered adjustment component for variable charge	+	Utility-determined adjustment component for variable charge	=	Recomputed Purchased Variable Water Charge (\$/gal)
	Metered Usage in Mgals During Prior Base Period						
\$ 1.96	\$ 872,736.23	+	\$ -	+	\$ (135,390.00)	=	\$ 1.58
	466,578						

**ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Calculation of Fixed Purchased Water Price
December, 2005**

FORMULA FACTORS

1. Purchases water charge in effect, per Equivalent Billing Unit, effective August 1, 2005:	\$	6.39
2. Total fixed cost for purchased water cost and/or alternate delivery (wheeling) costs, per Exhibit B, Page 2 of 3:	\$	433,656
3. Equivalent Billing Units (EBU) per Exhibit B, page 3 of 3:		62,365.5
4. Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C:		N/A
5. Balance of unrecovered or (overrecovered) Fixed Supply Charge costs:	\$	(75,617.29)

CALCULATION OF FIXED COMPONENT

In accordance with Ill. Adm. Code 655:

Fixed Water Charge in Effect (\$/month/EBU)	Estimated Purchased Water Cost and/or Alternate Delivery Fixed Costs	+ Commission-ordered adjustment component for fixed charge	+ Utility-determined adjustment component for fixed charge	=	Recomputed Fixed Water Charge (\$/month/EBU)
	Equivalent Billing Units				
\$ 6.39	\$ 433,656.00	+ \$ 2,020.86	+ \$ (75,617.29)	=	\$ 5.77
	62,365.5				

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Variable Purchased Water Costs
December, 2005

Description	Rate Per 1,000 gal
<u>Variable rate purchased water charges:</u>	
Operation and maintenance costs:	\$ 1.230
Subsequent customer capital risk charge:	-
Wheeling costs per below:	<u>0.408</u>
Total variable rate purchased water charges:	<u>\$ 1.638</u>
<u>New wheeling costs:</u>	
City of Wheaton (Arrowhead Service Area)	\$ 0.2000
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (9.442% X \$ 0.20):	\$ 0.019
City of Elmhurst (Country Club Service Area)	\$ 0.2000
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (5.228% X \$ 0.20):	\$ 0.010
Village of Lisle (DuPage/Lisle Service Area)	\$ 0.8400
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (25.527% X \$ 0.84):	\$ 0.214
Village of Lombard (Lombard Service Area)	\$ 0.3372
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (3.532% X \$ 0.3372):	\$ 0.012
Village of Winfield (Liberty Ridge West Service Area)	\$ 0.9000
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (16.221% X \$ 0.90):	\$ 0.146
Village of Glen Ellyn (Liberty Ridge East Service Area)	\$ 0.4000
Prorated amount based upon Metered Usage Plus Unaccounted-for Water usage (1.776% X \$ 0.40):	<u>\$ 0.007</u>
Total Wheeling Costs:	<u>\$ 0.408</u>

Source: Billing Invoices

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Variable Purchased Water Costs
December, 2005

Fixed Cost Rate - Previous: From previous filing:

Total actual charges for the prior 12 months:	\$ 169,364
Less-Credit for Charter Customers' facilities @ 43.32%:	(73,444)
Missed FC Payments and Facilities Charge:	494,047
Net Fixed costs:	<u>\$ 589,967</u>
Usage for 2004:	<u>644,381</u>
Calculated fixed cost rate per 1,000 gallons:	<u>\$ 0.916</u>

Fixed Cost Rate - New:

Prior year monthly fixed cost requirement - per December, 2004 Invoice:	<u>\$ 595,331</u>
Actual monthly fixed cost requirement per December, 2005 Invoice:	<u>\$ 595,372</u>
Total IAWC allocation as a % of total allocation:	<u>2.129%</u>
IAWC estimated monthly fixed cost requirement requirement (\$ 595,372 X 2.129%)	\$ 12,674
Less-Credit for Charter Customers' facilities @ 43.32%	(5,490)
Other Fixed Charges - Facilities, Missed Fixed Cost Payments:	41,000
Net monthly fixed charge cost	<u>\$ 48,184</u>
Annualized for 9 months	<u>\$ 433,656</u>

Source: Billing Invoices

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Calculation of Equivalent Billing Units
December, 2005

CALCULATION OF EQUIVALENT BILLING UNITS

<u>Meter Size</u>	<u>Number in Service</u>	<u>Equivalent Factor</u>	<u>Equivalent Units</u>
5/8" Disk	5,679	1.0	5,679.0
3/4" Disk	311	1.5	466.5
1" Disk	99	2.5	247.5
1 1/2" Disk	24	5.0	120.0
2" Disk	28	8.0	224.0
3" Disk	0	15.0	0.0
4" Disk	0	25.0	0.0
6" Disk	0	50.0	0.0
8" Disk	0	80.0	0.0
10" Disk	0	115.0	0.0
12" Disk	0	168.0	0.0
3" Turbine	4	17.5	70.0
4" Turbine	2	30.0	60.0
6" Turbine	1	62.5	62.5
8" Turbine	0	90.0	0.0
10" Turbine	0	145.0	0.0
Total Equivalent Billing Units:			<u><u>6,929.5</u></u>

Source: Report "Meters by Bill Class, Rate Schedule, Size - Summary" dated February 10, 2006.

Exhibit C
REVISED AS OF JULY 1, 2006

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Water Usage
December, 2005

Description	Metered Usage (1,000 of gallons)	Metered Usage Plus Unaccounted-for Water Usage (1,000 of gallons)
-------------	-------------------------------------	--

For the monthly billing period ending in the month of:

2005	January	53,128	54,707
2005	February	44,345	46,539
2005	March	40,724	51,241
2005	April	37,173	49,191
2005	May	43,084	58,098
2005	June	48,994	76,763
2005	July	73,098	81,642
2005	August	71,286	68,446
2005	September	61,182	62,982
2005	October	55,804	53,833
2005	November	41,524	50,415
2005	December	34,434	55,184
	Total for the 12 most recent months:	<u>604,775</u>	<u>709,041</u>
	Total April through December:	<u>466,578</u>	<u>556,554</u>
	Maximum Unaccounted For Water Per Tariff:		<u>12.43%</u>
	Actual Unaccounted for Water for calendar year 2005:		<u>14.71%</u>
	Actual Unaccounted for Water for April-December, 2005:		<u>16.17%</u>

Source: Billing Reports and Purchased Water Invoices for DuPage Service Area.

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Summary of Lake Water Purchases and Cost Recovery
December, 2005

VARIABLE COSTS Month	(A) Actual Cost of Lake Water Purchased	(B) Cost Recovery via Lake Water Supply Charge	(A-B) Monthly Unrecovered (Overrecovered) Supply Charge Cost	Cumulative Unrecovered (Overrecovered) Supply Charge Cost
Balance forwarded from prior year:				\$ (24,982)
January	\$ 101,856	\$ 120,114	\$ (18,458)	\$ (43,440)
February	85,957	100,858	(14,701)	(58,141)
March	94,156	93,241	915	(57,226)
April	90,275	91,345	(1,070)	(58,296)
May	95,342	95,838	(496)	(58,792)
June	126,066	109,704	16,362	(42,430)
July	133,294	161,995	(28,701)	(71,131)
August	112,645	157,262	(44,617)	(115,748)
September	103,125	121,684	(18,559)	(134,307)
October	87,668	109,935	(22,267)	(156,574)
November	82,067	81,756	311	(156,263)
December	89,649	68,776	20,873	(135,390)
Total:	\$ 1,201,900	\$ 1,312,308	\$ (110,408)	\$ (135,390)

Unrecovered (Overrecovered) variable supply charges: \$ (135,390)

Utility-determined reconciliation component: \$ (135,390)

Metered Usage	604,775	Per Exhibit C
Maximum allowed + UFW	690,619	Metered usage divided by 1 minus the UFW maximum
Metered Usage + UFW	709,041	Per Exhibit C
Metered Usage + UFW > Max	18,422	Actual Metered Usage + UFW less Max allowed per tariff (12.43%)
Rate / 1,000 gallons	1.6951	Cost of Lake Water divided by Metered Usage + UFW
Cost of Lakewater over UFW	\$ 31,227	Lakewater cost exceeding the Max UFW

Source: Bill data and Purchase Data reports.

Note: Amount to be included in O Factor in 2006 Reconciliation

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
Summary of Lake Water Purchases and Cost Recovery
December, 2005

FIXED COSTS Month	(A) Actual Cost of Lake Water Purchased	(B) Cost Recovery via Lake Water Supply Charge	(A-B) Monthly Unrecovered (Overrecovered) Supply Charge Cost	Cumulative Unrecovered (Overrecovered) Supply Charge Cost
Balance forwarded from prior year:				\$ (39,861)
January	\$ 48,493	\$ 60,388	\$ (11,895)	\$ (51,756)
February	48,493	47,231	1,262	(50,495)
March	48,493	50,516	(2,023)	(52,517)
April	48,493	48,322	171	(52,346)
May	48,183	43,427	4,756	(47,591)
June	48,183	43,285	4,898	(42,693)
July	48,183	43,246	4,937	(37,756)
August	48,183	43,454	4,729	(33,027)
September	48,183	43,379	4,804	(28,222)
October	(25,269)	43,539	(68,808)	(97,030)
November	48,183	41,110	7,073	(89,958)
December	48,183	33,843	14,340	(75,617)
Total:	\$ 505,984	\$ 541,740	\$ (35,756)	\$ (75,617)
Unrecovered (Overrecovered) fixed supply charges:				\$ (75,617)
Utility-determined reconciliation component:				\$ (75,617)

Source: Bill data and Purchase Data reports.

ILLINOIS-AMERICAN WATER COMPANY
DUPAGE COUNTY SERVICE DISTRICT
 Monthly Summary of Customer Supply Charge Revenue and Purchased Water Costs
 For the year 2005

Month - 2005	SUMMARY OF SUPPLY CHARGES COLLECTED					SUMMARY OF PURCHASED WATER				Overall Rate Per 1,000 Gallons	Supply Charge Collected Over (Under) Purchases	Cumulative Supply Charge Collected Over (Under) Purchases
	Number of Meter Connections	Gallons Sold (000's)	Total Water Revenues	Supply Charge Rate Per 1,000 Gallons	Total Supply Charge Revenue Collected	Gallons Purchased (000's)	DuPage Water Commission	Lake Water Charges Wheeling Charges	Grand Total			
January	6,173	53,128	\$ 251,222.53	\$ 3.40	\$ 180,502.76	54,707	\$ 126,724.46	\$ 23,425.03	\$ 150,149.49	2.74	\$ 30,353.27	\$ 30,353.27
February	5,982	44,345	202,485.35	3.33	147,888.98	46,539	115,044.22	19,405.84	134,450.06	2.89	13,438.92	43,792.18
March	6,158	40,724	198,008.21	3.53	143,756.30	51,241	121,768.08	20,881.24	142,649.32	2.78	1,106.98	44,899.17
April	6,149	37,173	190,108.88	3.76	139,667.58	49,191	118,836.58	19,931.81	138,768.39	2.82	899.19	45,798.36
May	6,151	43,084	203,158.55	3.23	139,264.99	58,098	119,643.78	23,881.91	143,525.69	2.47	(4,260.70)	41,537.85
June	6,153	48,994	223,369.20	3.12	152,989.71	76,763	142,601.73	31,647.78	174,249.51	2.27	(21,259.80)	20,277.86
July	6,154	73,098	306,120.85	2.81	205,241.22	81,642	148,602.90	32,874.34	181,477.24	2.22	23,763.98	44,041.84
August	6,158	71,285	300,027.97	2.82	200,715.61	68,446	132,371.82	28,458.58	160,828.40	2.35	39,887.21	83,929.05
September	6,178	61,182	264,108.21	2.70	165,062.93	62,982	125,651.10	25,856.83	151,307.93	2.40	13,755.00	97,684.05
October	6,149	55,804	246,163.58	2.75	153,473.89	53,833	40,945.33	21,453.11	62,398.44	1.16	91,075.45	188,759.50
November	6,162	41,524	194,464.81	2.96	122,866.63	50,415	110,193.69	20,056.28	130,249.97	2.58	(7,383.34)	181,376.16
December	4,847	34,434	160,219.38	2.98	102,619.18	55,184	116,059.56	21,772.71	137,832.27	2.50	(35,213.09)	146,163.06
Total:	72,414	604,775	\$ 2,739,457.32	\$ 3.07	\$ 1,854,049.78	709,041	\$ 1,418,443.25	\$ 289,443.47	\$ 1,707,886.72	2.41	\$ 146,163.06	\$ 146,163.06

Source: Bill Data and Purchase Data Reports