



Illinois American Water Company, in docket 02-0517, applied for approval of an affiliated interest contract between Illinois American Water Company and American Water Resources. The Commission rejected the Company's request on reopening. In its order, it noted Staff's position,

In Staff's view, the proposed affiliate transaction is another example of utility personnel and facilities being exploited by the holding company structure that is prevalent across all utility industries. Such Affiliate transactions, Staff avers, can not credibly be argued as arms length transactions because of the affiliate relationship between them. (Order on Reopening p. 7)

There are also a number of cases now pending involving affiliate transactions. An issue in the Ameren rate cases 06-0070, 06-0071 and 06-0072, now being reheard, involves Commission disallowance of Administrative and General Cost allocated from Ameren Services to the utilities.