Exhibit 9.02

ILLINOIS AMERICAN WATER COMPANY
Wastewater
Division

Depreciation Study
as of December 31, 2005

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SECTION 1

ILLINOIS-AMERICAN WATER COMPANY
All Wastewater Divisions

Executive Summary

Table1 on pages 2-1 and 2-3 is a comparative summary which illustrates the effect of instituting the revised historical depreciation rates. The schedule includes a comparison of the annual depreciation rates and annual depreciation expense under both present and proposed rates applied using the Straight Line Method for each depreciable property group of the Illinois-American Water Company's wastewater divisions ("Company") plant in service as of December 31, 2005. Both the present and proposed depreciation rates were developed utilizing the Straight Line (SL) Method, Broad Group (BG) Procedure, and the Average Remaining Life (ARL) Technique. In addition, Table 1 contains the proposed property group level depreciation rates detailed by depreciation rate component (i.e. plant only, gross salvage, and cost of removal).

Table1a on pages 2-4 and 2-5 summarizes the Company's December 31, 2005 property group depreciation reserves by the detailed segments of plant only, gross salvage, and cost of removal components.

Table2 - Plant Only on pages 2-6 to 2-8 (which is the development of average remaining life depreciation rates for the Plant Only recovery component) provides a summary of the detailed life estimates and service life parameters (Iowa Curves) utilized in preparing the Average Remaining Life depreciation rates for each property group. The schedule provides a summary of the detailed data and narrative of the study results set forth in Sections 4 through 6. The developed depreciation rates (Column L) were

determined by studying the Company's historical investment data together with the interpretation of future life expectancies which will have a bearing on the overall service life of the Company's property.

Table 2 - Gross Salvage on pages 2-9 to 2-11 is a similar table to Table 2 - Plant Only, except that this table develops the component level depreciation rates for the recovery of the gross salvage portion of the property cost.

Table 2 - Cost of Removal on pages 2-12 to 2-14 summarizes the depreciation recovery rates for the cost of removal segment of the total plant cost.

Table 3 on pages 2-15 to 2-17 reconciles the December 31, 2005 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study.

Table 4 on pages 2-18 to 2-20 summarizes the various components of the Company's December 31, 2005 book depreciation reserve balances per books, adjustments, and the depreciation reserve per the December 31, 2004 depreciation study.

Table 5 on pages 2-21 and 2-22 allocates the Company's December 31, 2005 book depreciation reserves for selected property accounts to the applicable sub-accounts based upon theoretical depreciation reserves as of December 31, 2005.

Table 6 on pages 2-23 to 2-28 summarizes the depreciation parameters underlying the Company's current depreciation rates as well as also provides similar information relative to the proposed depreciation parameters and depreciation rates as of December 31, 2005.

With regard to Illinois-American Water Company's plant in service, several of the proposed rates reflect marked changes (as outlined in Section 4 of the study) from the

current depreciation rates. The accounts for which the most notable depreciation expense changes occurred in comparison to the current depreciation rates include Account 361-Gravity Mains, Account 363-Services to Customers, and Account 380.30 – Sludge Dryping Equipment, and Account 380.35 - Secondary Treatment Equipment.

The proposed depreciation rate for Account 363 - Services to Customers, increased from 3.46 percent to 4.95 percent. The drivers underlying the proposed depreciation rate is an Iowa 55-R3 life and curve and estimated net salvage of negative one hundred twenty-five (125) percent. The underlying depreciation parameter basis for the present depreciation rate is unknown. As noted within the depreciation study, the average service life and negative net salvage percent was estimated based upon consideration of parameters underlying depreciation rates for the Company's sister operating properties, Illinois American Water depreciation parameters, and various other data sources.

The depreciation rate for Account 380.30 – Sludge Drying Equipment increased from 5.23 percent to 15.75 percent. The drivers underlying the proposed depreciation rate is an Iowa 15-R3 live and curve and estimated net salvage of negative twenty-five (25) percent. The underlying depreciation parameter basis for the present depreciation rate is unknown. As noted within the depreciation study, the average service life and negative net salvage percent was estimated based upon consideration of parameters underlying depreciation rates for the Company's sister operating properties and various other data sources.

The depreciation rate for Account 380.35 – Secondary Treatment Equipment increased from 3.60 percent to 10.73 percent. The drivers underlying the proposed depreciation rate is an Iowa 20-R2.5 life and curve and estimated net salvage of negative

twenty-five (25) percent. The underlying depreciation parameter basis for the present depreciation rate is unknown. As noted within the depreciation study, the average service life and negative net salvage percent was estimated based upon consideration of parameters underlying depreciation rates for the Company's sister operating properties and various other data sources.

Conversely, the depreciation rate for Account 361.00 – Gravity Mains decreased from 3.33 percent to 2.08 percent. The drivers underlying the proposed depreciation rates are the individual property material type and size Iowa life and curve estimates set forth in Section 4 of this depreciation study report and estimated net salvage of negative forty (40) percent. The underlying depreciation parameter basis for the present depreciation rate is unknown. As noted within the depreciation study, the average service lives and negative net salvage percents were estimated based upon consideration of parameters underlying depreciation rates for the Company's sister operating properties and various other data sources.

The utilization of the recommended depreciation rates based upon the Straight Line Average Remaining Life Procedure results in the setting of depreciation rates which will continuously true up the Company's level of capital recovery over the life of each asset group. Application of this procedure, which is based upon the current best estimates of service life together with the Company's plant in service and accrued depreciation, produces annual depreciation rates that will result in the Company recovering 100 percent of its investment -- no more, no less.

It is recommended that the Company continue to apply depreciation rates and maintain its book depreciation reserve on an account-level basis. The maintenance of the

book reserve on an account-level basis requires both the development of annual depreciation expense and distribution of other reserve account charges to an individual level. Maintaining the Company's depreciation records in this detail will aid in completing the various rate studies and, most importantly, clearly identify the Company's level of capital recovery relative to each category of plant investment.

The general drivers for the proposed depreciation rates include an assessment of the Company's historical experience with regard to achieved service lives and net salvage factors. In addition, consideration is given to current and anticipated events which are anticipated to impact the Company's ability to recover its fixed capital costs related to utility plant in service.

The depreciation rate for each individual account changed as a result of estimates obtained through the in-depth analysis of the Company's most recent data together with an interpretation of ongoing and anticipated future events. Some of the revisions were not significant and typically reflect fine tuning of previously utilized depreciation rates while others were more substantial in nature. Several of the accounts did reflect more significant changes (as outlined in Section 4 of this report) from the previously utilized depreciation rates.

Several of the remaining account/sub-accounts experienced increases or decreases in recommended depreciation rates to a lesser degree, as noted per Table 1 of this report. This revision in annual depreciation rates and expense is the result of both changes in the estimated service lives and salvage factors, and reflects the impact of the Company's property changes since the most recent study.

With regard to the inclusion of higher negative net salvage levels in the development of proposed depreciation rates, as noted within the discussion related to net salvage in Section 3 of the depreciation report, it should be noted that the level of experienced net salvage should simply be a benchmark from which to estimate future net salvage. It is highly likely that the negative net salvage amounts experienced even recently will simply be the floor above which future negative net salvage levels will increase to a higher level. To appropriately and proportionately allocate the true total asset cost (original cost adjusted for net salvage) over its applicable service life, proper consideration must be given, in each accounting period, to the total costs that are anticipated to occur relative to the Company's assets that provide customer service.

Applying the proposed depreciation rates to the Company's December 31, 2005 Electric plant in service balances produces annual depreciation expense of $4,035,381, which is an increase of $208,004 in depreciation expense from the application of the current depreciation rates.

The following summary compares the present and proposed composite depreciation rates for the historic and Pro Forma period is for illustrative purposes only. The Composite Depreciation Rate should not be applied to the total Company investment inasmuch as the non-proportional change in plant investment as a result of property additions or retirements would render the composite rate inappropriate. The Table 1 schedule (in Section 2 of the report) list the recommended annual depreciation rates for each of the applicable property accounts.

Present Depreciation Rates

Depreciable Plant In Service

at December 31, 2005	$97,800,059
Annual Depreciation Expense	3,827,377
Composite Annual Depreciation Rate	3.91%

Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2005	$97,800,059
Annual Depreciation Expense	4,035,381
Composite Annual Depreciation Rate	4.13%

SECTION 2

Table 1

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Present Rates Rate % (d)	Present Rates Annual Accrual (e)	Proposed Rates: Proposed Plant Only Rates Rate % (f)	Proposed Rates: Proposed Plant Only Rates Annual Accrual (g)	Proposed Rates: Proposed Gross Salv Rates Rate % (h)	Proposed Rates: Proposed Gross Salv Rates Annual Accrual (i)	Proposed Rates: Proposed COR Rates Rate % (j)	Proposed Rates: Proposed COR Rates Annual Accrual (k)	Proposed Rates: Total Proposed Rates Rate % (l)	Proposed Rates: Total Proposed Rates Annual Accrual (m)	Net Change Depr. Exp. (n)
	DEPRECIABLE PLANT												
	Collection Plant												
354.20	Structures & Improvements - Collection	4,711,540.90	2.26%	106,480.82	1.58%	74,442.35	0.00%	0.00	0.35%	16,490.39	1.93%	90,932.74	-15,548.08
	Sewers-Force												
360.00	Unidentified	360,811.78	3.29%	11,870.71	1.37%	4,943.12	0.00%	0.00	0.62%	2,237.03	1.99%	7,180.15	-4,690.56
360.11	Cast & Ductile Iron - 4 in & Under	58,256.00	3.29%	1,916.62	2.17%	1,264.16	0.00%	0.00	1.20%	699.07	3.37%	1,963.23	46.61
360.12	Cast & Ductile Iron - 6 in - 8 in	393,222.13	3.29%	12,937.01	1.40%	5,505.11	0.00%	0.00	0.69%	2,713.23	2.09%	8,218.34	-4,718.67
360.13	Cast & Ductile Iron - 10 in - 16 in	468,261.16	3.29%	15,406.45	1.38%	6,462.28	0.00%	0.00	0.64%	2,997.00	2.02%	9,459.28	-5,947.17
360.14	Cast & Ductile Iron - 18 in & Over	93,892.00	3.29%	3,089.05	1.30%	1,220.60	0.00%	0.00	0.76%	713.58	2.06%	1,934.18	-1,154.87
360.21	Asbestos Cement - 4 in & Under	115.00	3.29%	3.78	6.43%	7.39	0.00%	0.00	9.39%	10.80	15.82%	18.19	14.41
360.22	Asbestos Cement - 6 in - 8 in	36,605.91	3.29%	1,204.33	1.74%	636.94	0.00%	0.00	1.08%	395.34	2.82%	1,032.29	-172.04
360.23	Asbestos Cement - 10 in - 16 in	216,301.00	3.29%	7,116.30	1.82%	3,936.68	0.00%	0.00	1.26%	2,725.39	3.08%	6,662.07	-454.23
360.24	Asbestos Cement - 18 in & Over	629,145.26	3.29%	20,698.88	1.46%	9,185.52	0.00%	0.00	0.83%	5,221.91	2.29%	14,407.43	-6,291.45
360.34	Steel - 18 in & Over	24,523.00	3.29%	806.81	1.49%	365.39	0.00%	0.00	0.90%	220.71	2.39%	586.10	-220.71
360.61	Plastic - 4 in & Under	39,918.01	3.29%	1,313.30	1.70%	678.61	0.00%	0.00	0.75%	299.39	2.45%	977.99	-335.31
360.62	Plastic - 6 in - 8 in	319,794.28	3.29%	10,521.23	1.57%	5,020.77	0.00%	0.00	0.68%	2,174.60	2.25%	7,195.37	-3,325.86
360.63	Plastic - 10 in - 16 in	1,738.82	3.29%	57.21	1.58%	27.47	0.00%	0.00	0.72%	12.52	2.30%	39.99	-17.22
360.64	Plastic - 18 in & Over	70,534.00	3.29%	2,320.57	2.17%	1,530.59	0.00%	0.00	0.90%	634.81	3.07%	2,165.39	-155.18
360.71	Valves - 4 in & Under	52,244.07	3.29%	1,718.83	3.09%	1,614.34	0.00%	0.00	1.68%	877.70	4.77%	2,492.04	773.21
360.73	Valves - 10 in - 16 in	31,277.11	3.29%	1,029.02	2.42%	756.91	0.00%	0.00	1.34%	419.11	3.76%	1,176.02	147.00
360.75	Valve Boxes	1,694.47	3.29%	55.75	2.41%	40.84	0.00%	0.00	1.32%	22.37	3.73%	63.20	7.45
360.80	Manholes & Cleanouts	1,106,130.89	3.29%	36,391.71	2.25%	24,887.95	0.00%	0.00	0.95%	10,508.24	3.20%	35,396.19	-995.52
	Total Force Sewers	3,904,484.89	3.29%	128,457.55	1.74%	68,084.67	0.00%	0.00	0.84%	32,882.80	2.59%	100,967.45	-27,490.10
	Sewers-Gravity												
361.00	Unidentified	7,862,642.46	3.33%	261,825.99	1.26%	99,069.29	0.00%	0.00	0.82%	64,473.67	2.08%	163,542.96	-98,283.03
361.12	Cast & Ductile Iron - 6 in - 8 in	2,180,197.92	3.33%	72,600.59	1.30%	28,342.57	0.00%	0.00	0.66%	14,389.31	1.96%	42,731.88	-29,868.71
361.13	Cast & Ductile Iron - 10 in - 16 in	1,429,225.75	3.33%	47,593.22	1.30%	18,579.93	0.00%	0.00	0.65%	9,289.97	1.95%	27,869.90	-19,723.32
361.14	Cast & Ductile Iron - 18 in & Over	237,122.44	3.33%	7,896.18	1.15%	2,726.91	0.00%	0.00	0.57%	1,351.60	1.72%	4,078.51	-3,817.67
361.22	Asbestos Cement - 6 in - 8 in	1,426,185.04	3.33%	47,491.96	1.44%	20,537.06	0.00%	0.00	1.00%	14,261.85	2.44%	34,798.91	-12,693.05
361.23	Asbestos Cement - 10 in - 16 in	917,697.12	3.33%	30,559.31	1.43%	13,123.07	0.00%	0.00	1.04%	9,544.05	2.47%	22,667.12	-7,892.19
361.24	Asbestos Cement - 18 in & Over	1,167,714.84	3.33%	38,884.90	1.28%	14,946.75	0.00%	0.00	0.73%	8,524.32	2.01%	23,471.07	-15,413.83
361.32	Steel - 6 in - 8 in	3,839.00	3.33%	127.84	2.00%	76.78	0.00%	0.00	1.77%	67.95	3.77%	144.73	16.89
361.33	Steel - 10 in - 16 in	27,280.00	3.33%	908.42	1.35%	368.28	0.00%	0.00	0.87%	237.34	2.22%	605.62	-302.80
361.34	Steel - 18 in & Over	23,445.00	3.33%	780.72	1.23%	288.37	0.00%	0.00	0.93%	218.04	2.16%	506.41	-274.31
361.42	Concrete - 6 in - 8 in	1,032.05	3.33%	34.37	1.32%	13.62	0.00%	0.00	0.58%	5.99	1.90%	19.61	-14.76
361.43	Concrete - 10 in - 16 in	13,589.09	3.33%	452.52	1.16%	157.63	0.00%	0.00	1.22%	165.79	2.38%	323.42	-129.10
361.44	Concrete - 18 in & Over	530,839.68	3.33%	17,676.96	1.12%	5,945.40	0.00%	0.00	0.71%	3,768.96	1.83%	9,714.37	-7,962.59
361.52	Vitrified Clay - 6 in - 8 in	2,534,101.46	3.33%	84,385.58	1.25%	31,676.27	0.00%	0.00	0.87%	22,046.68	2.12%	53,722.95	-30,662.63
361.53	Vitrified Clay - 10 in - 16 in	919,603.18	3.33%	30,622.79	1.24%	11,403.08	0.00%	0.00	0.90%	8,276.43	2.14%	19,679.51	-10,943.28
361.54	Vitrified Clay - 18 in & Over	671,156.00	3.33%	22,349.49	1.10%	7,382.72	0.00%	0.00	0.78%	5,235.02	1.88%	12,617.73	-9,731.76
361.61	Plastic - 4 in & Under	19,832.97	3.33%	660.44	1.61%	319.31	0.00%	0.00	0.87%	172.55	2.48%	491.86	-168.58
361.62	Plastic - 6 in - 8 in	9,007,184.78	3.33%	299,939.25	1.50%	135,107.77	0.00%	0.00	0.77%	69,355.32	2.27%	204,463.09	-95,476.16
361.63	Plastic - 10 in - 16 in	3,664,716.15	3.33%	122,035.05	1.50%	54,970.74	0.00%	0.00	0.78%	28,584.79	2.28%	83,555.53	-38,479.52
361.64	Plastic - 18 in & Over	1,837,073.96	3.33%	61,174.56	1.31%	24,065.67	0.00%	0.00	0.61%	11,206.15	1.92%	35,271.82	-25,902.74
361.72	Valves - 6 in - 8 in	533.00	3.33%	17.75	2.04%	10.87	0.00%	0.00	1.60%	8.53	3.64%	19.40	1.65
361.76	Drop Connections/Junctions	66,285.69	3.33%	2,207.31	1.97%	1,305.83	0.00%	0.00	1.89%	1,252.80	3.86%	2,558.63	351.32
361.77	Special Construction	87,599.52	3.33%	2,917.06	1.60%	1,401.59	0.00%	0.00	0.92%	805.92	2.52%	2,207.51	-709.55
361.80	Manholes & Cleanouts	9,079,358.96	3.33%	302,342.65	2.12%	192,482.41	0.00%	0.00	1.30%	118,031.67	3.42%	310,514.08	8,171.43
361.82	Crossings - 6 in - 8 in	25,978.00	3.33%	865.07	1.26%	327.32	0.00%	0.00	0.82%	213.02	2.08%	540.34	-324.73

Exhibit 9.02

Table 1

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005 and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Present Rates Rate % (d)	Present Rates Annual Accrual (e)	Proposed Rates: Proposed Plant Only Rates Rate % (f)	Proposed Plant Only Rates Annual Accrual (g)	Proposed Gross Salv Rates Rate % (h)	Proposed Gross Salv Rates Annual Accrual (i)	Proposed COR Rates Rate % (j)	Proposed COR Rates Annual Accrual (k)	Total Proposed Rates Rate % (l)	Total Proposed Rates Annual Accrual (m)	Net Change Depr. Exp. (n)
361.83	Crossings - 10 In - 18 In	193,910.95	3.33%	6,457.23	1.28%	2,482.06	0.00%	0.00	0.72%	1,396.16	2.00%	3,878.22	-2,579.01
361.84	Crossings - 18 In & Over	647,485.16	3.33%	21,561.26	1.15%	7,446.08	0.00%	0.00	0.58%	3,755.41	1.73%	11,201.49	-10,359.77
361.91	All Materials - 4 In & Under	91,684.40	3.33%	3,053.09	1.53%	1,402.77	0.00%	0.00	0.64%	586.78	2.17%	1,989.55	-1,063.54
361.92	All Materials - 8 In - 8 In	3,862,353.96	3.33%	128,616.39	1.53%	59,094.02	0.00%	0.00	0.65%	25,105.30	2.18%	84,199.32	-44,417.07
361.93	All Materials - 10 In - 18 In	359,521.20	3.33%	11,972.06	1.53%	5,500.67	0.00%	0.00	0.64%	2,300.94	2.17%	7,801.61	-4,170.45
	Total Gravity Sewers	48,889,189.73	3.33%	1,628,010.02	1.51%	740,554.84	0.00%	0.00	0.87%	424,632.31	2.38%	1,165,187.15	-462,822.87
363.00	Services To Customers	8,382,150.72	3.46%	290,022.41	1.74%	145,849.42	0.00%	0.00	3.21%	269,067.04	4.95%	414,916.46	124,894.05
	Total Collection Plant	65,887,366.24	3.27%	2,152,970.81	1.56%	1,028,931.28	0.00%	0.00	1.13%	743,072.54	2.69%	1,772,003.80	-380,967.01
	Pumping Equipment												
354.30	Structures & Improv-Pumping Plant	14,409.82	5.74%	827.12	2.66%	383.30	0.00%	0.00	0.27%	38.91	2.93%	422.21	-404.91
371.10	Electric Pumping Equipment	545,702.94	5.17%	28,212.84	3.94%	21,500.70	0.00%	0.00	1.31%	7,148.71	5.25%	28,649.40	436.56
371.20	Other Pumping Equipment	195,293.76	5.17%	10,096.69	3.80%	7,421.16	0.00%	0.00	1.60%	3,124.70	5.40%	10,545.86	449.17
	Total Pumping Equipment	755,406.52	5.18%	39,136.65	3.88%	29,305.16	0.00%	0.00	1.37%	10,312.32	5.24%	39,617.47	480.82
	Treatment & Disposal Equipment												
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91	5.74%	730,862.03	3.88%	494,032.17	0.00%	0.00	1.09%	138,787.39	4.97%	632,819.56	-98,042.47
380.00	Treatment & Disposal Equipment	373,928.53	3.92%	14,658.00	5.15%	19,257.32	0.00%	0.00	1.42%	5,309.79	6.57%	24,567.10	9,909.10
380.05	Grit Removal	411,339.03	3.92%	16,124.49	7.56%	31,097.23	0.00%	0.00	2.70%	11,106.15	10.26%	42,203.38	26,078.89
380.10	Sedimentation Tanks	4,667,723.09	6.65%	310,403.59	6.01%	280,530.16	0.00%	0.00	2.39%	111,558.58	8.40%	392,088.74	81,685.15
380.25	Sludge Digester Tanks	5,856.87	4.34%	254.19	7.11%	416.42	0.00%	0.00	2.15%	125.92	9.26%	542.35	288.16
380.30	Sludge Drying Equipment	1,640,327.87	5.23%	85,789.15	9.01%	147,793.54	0.00%	0.00	6.74%	110,558.10	15.75%	258,351.64	172,562.49
380.35	Secondary Treatment	1,821,496.39	3.60%	65,573.87	6.99%	127,322.60	0.00%	0.00	3.74%	68,123.96	10.73%	195,446.56	129,872.69
380.40	Auxiliary Effluent Treatment	1,743,644.57	5.30%	92,413.16	5.54%	96,597.91	0.00%	0.00	1.85%	32,257.42	7.39%	128,855.33	36,442.17
380.50	Chemical Treatment	654,636.09	3.33%	21,799.38	13.67%	89,488.75	0.00%	0.00	6.70%	43,860.62	20.37%	133,349.37	111,549.99
380.60	Other Disposal Equipment	733,837.36	2.82%	20,694.21	7.43%	54,524.12	0.00%	0.00	3.99%	29,280.11	11.42%	83,804.23	63,110.02
380.65	Influent Liftstations	1,944,980.64	2.95%	57,376.93	5.49%	106,779.44	0.00%	0.00	1.86%	36,176.64	7.35%	142,956.08	85,579.15
382.00	Outfall Sewer Lines	900,797.38	4.34%	39,094.61	1.20%	10,809.57	0.00%	0.00	0.46%	4,143.67	1.66%	14,953.24	-24,141.37
389.20	Other Plant & Misc Equipment	0.00	2.26%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00
	Total Treat & Disposal Equip	27,631,355.73	5.27%	1,455,043.60	5.28%	1,458,649.23	0.00%	0.00	2.14%	591,288.35	7.42%	2,049,937.58	594,893.98
	General Plant												
354.50	Structures & Improv-General	2,493,929.91	4.31%	107,488.38	3.09%	77,062.43	0.00%	0.00	0.00%	0.00	3.09%	77,062.43	-30,425.95
390.00	Office Furniture & Equipment	142,494.85	3.67%	5,229.56	14.48%	20,633.25	0.00%	0.00	0.00%	0.00	14.48%	20,633.25	15,403.69
391.00	Transportation Equipment	111,607.76	25.00%	27,901.94	0.00%	0.00	0.00%	0.00	0.00%	0.00 (1)	0.00%	0.00	-27,901.94
392.00	Stores Equipment	10,989.08	5.80%	637.37	5.64%	619.78	0.00%	0.00	0.00%	0.00	5.64%	619.78	-17.59
393.00	Tools, Shop & Garage Equipment	199,653.07	4.22%	8,425.36	4.82%	9,623.28	0.00%	0.00	0.00%	0.00	4.82%	9,623.28	1,197.92
394.00	Laboratory	119,450.60	5.80%	6,928.13	7.46%	8,911.01	0.00%	0.00	0.00%	0.00	7.46%	8,911.01	1,982.88
395.00	Power Operated Equipment	243,316.64	6.20%	15,085.63	22.61%	55,013.89	-6.21%	-15,109.96	0.00%	0.00	16.40%	39,903.93	24,818.30
396.00	Communication Equipment	135,597.47	4.37%	5,925.61	7.71%	10,454.56	0.00%	0.00	0.00%	0.00	7.71%	10,454.56	4,528.95
397.00	Miscellaneous Equipment	68,690.90	3.78%	2,604.08	9.60%	6,613.53	0.00%	0.00	0.00%	0.00	9.60%	6,613.53	4,009.45
	Total General Plant	3,525,930.28	5.11%	180,226.06	5.36%	188,931.73	-0.43%	-15,109.96	0.00%	0.00	4.93%	173,821.77	-6,404.29
	TOTAL DEPRECIABLE PLANT	97,800,058.77	3.91%	3,827,377.12	2.77%	2,705,817.40	-0.02%	-15,109.96	1.37%	1,344,673.21	4.13%	4,035,380.62	208,003.50

Exhibit 9.02

Table 1

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Present Rates		Proposed Rates								Net Change Depr. Exp. (n)
					Proposed Plant Only Rates		Proposed Gross Salv.Rates		Proposed COR Rates		Total Proposed Rates		
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	Rate % (h)	Annual Accrual (i)	Rate % (j)	Annual Accrual (k)	Rate % (l)	Annual Accrual (m)	
	NON-DEPRECIABLE PLANT												
351.00	Organization	361,048.00											
352.00	Franchises	581,059.32											
353.00	Land & Land Rights	310,554.74											
389.10	Other Plant & Misc Equipment	397,609.63											
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69											
	TOTAL PLANT IN SERVICE	99,450,330.46											

(1) Fully Depreciated. No Further Depreciation.

Exhibit 9.02

Table 1a

Illinois-American Water Company
All Wastewater Districts

Calculation of Cost of Removal In Book Depreciation Reserve as of December 31, 2005
Based Upon Company Provided Detailed Depreciation Reserve

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Plant & Gross Salv Book Depr Resr 12/31/05 (h)	Cost of Removal In Book Res. (i)	Gross Salvage In Book Res. (j)	Total Depr Reserve 12/31/05 (k)
	DEPRECIABLE PLANT					
	Collection Plant					
354.20	Structures & Improvements - Collection	4,711,540.90	2,611,275.00	0.00	0.00	2,611,275.00
	Sewers-Force					
360.00	Unidentified	360,811.78	40,617.48	0.00	0.00	40,617.48
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	16,031.90	0.00	0.00	16,031.90
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	72,619.68	0.00	0.00	72,619.68
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	63,199.83	0.00	0.00	63,199.83
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00	29,638.85	0.00	0.00	29,638.85
360.21	Asbestos Cement - 4 In & Under	115.00	83.51	0.00	0.00	83.51
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	13,092.77	0.00	0.00	13,092.77
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	91,374.91	0.00	0.00	91,374.91
360.24	Asbestos Cement - 18 In & Over	629,145.26	185,482.74	0.00	0.00	185,482.74
360.34	Steel - 18 In & Over	24,523.00	8,221.47	0.00	0.00	8,221.47
360.61	Plastic - 4 In & Under	39,918.01	3,495.41	0.00	0.00	3,495.41
360.62	Plastic - 6 In - 8 In	319,794.28	25,403.29	0.00	0.00	25,403.29
360.63	Plastic - 10 In - 16 In	1,738.82	204.73	0.00	0.00	204.73
360.64	Plastic - 18 In & Over	70,534.00	2,397.63	0.00	0.00	2,397.63
360.71	Valves - 4 In & Under	52,244.07	13,872.70	0.00	0.00	13,872.70
360.73	Valves - 10 In - 16 In	31,277.11	8,641.07	0.00	0.00	8,641.07
360.75	Valve Boxes	1,694.47	458.61	0.00	0.00	458.61
360.80	Manholes & Cleanouts	1,106,130.89	61,669.41	0.00	0.00	61,669.41
	Total Force Sewers	3,904,484.89	636,506.00	0.00	0.00	636,506.00
	Sewers-Gravity					
361.00	Unidentified	7,862,642.46	3,044,019.06	0.00	0.00	3,044,019.06
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	450,675.71		0.00	450,675.71
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	285,797.41		0.00	285,797.41
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	44,610.07		0.00	44,610.07
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	609,216.06	0.00	0.00	609,216.06
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	410,459.05	0.00	0.00	410,459.05
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	351,067.91	0.00	0.00	351,067.91
361.32	Steel - 6 In - 8 In	3,839.00	2,109.42	0.00	0.00	2,109.42
361.33	Steel - 10 In - 16 In	27,280.00	10,241.73		0.00	10,241.73
361.34	Steel - 18 In & Over	23,445.00	11,060.81	0.00	0.00	11,060.81
361.42	Concrete - 6 In - 8 In	1,032.05	96.58		0.00	96.58
361.43	Concrete - 10 In - 16 In	13,589.09	8,417.41	0.00	0.00	8,417.41
361.44	Concrete - 18 In & Over	530,839.68	195,193.82		0.00	195,193.82
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	1,078,356.54		0.00	1,078,356.54
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	416,113.82		0.00	416,113.82
361.54	Vitrified Clay - 18 In & Over	671,156.00	293,113.70		0.00	293,113.70
361.61	Plastic - 4 In & Under	19,832.97	5,145.91		0.00	5,145.91
361.62	Plastic - 6 In - 8 In	9,007,184.78	1,981,997.96		0.00	1,981,997.96
361.63	Plastic - 10 In - 16 In	3,664,716.15	844,733.09		0.00	844,733.09
361.64	Plastic - 18 In & Over	1,837,073.96	261,829.75		0.00	261,829.75
361.72	Valves - 6 In - 8 In	533.00	260.60		0.00	260.60
361.76	Drop Connections/Junctions	66,285.69	38,676.35		0.00	38,676.35
361.77	Special Construction	87,599.52	26,380.10		0.00	26,380.10
361.80	Manholes & Cleanouts	9,079,358.96	3,181,967.25		0.00	3,181,967.25
361.82	Crossings - 6 In - 8 In	25,978.00	9,955.72		0.00	9,955.72
361.83	Crossings - 10 In - 16 In	193,910.95	56,426.76		0.00	56,426.76
361.84	Crossings - 18 In & Over	647,485.16	136,508.69		0.00	136,508.69
361.91	All Materials - 4 In & Under	91,684.40	3,675.67		0.00	3,675.67
361.92	All Materials - 6 In - 8 In	3,862,353.96	205,180.50		0.00	205,180.50

Table 1a

Illinois-American Water Company
All Wastewater Districts

Calculation of Cost of Removal In Book Depreciation Reserve as of December 31, 2005
Based Upon Company Provided Detailed Depreciation Reserve

Account No.	Description	Original Cost 12/31/05	Plant & Gross Salv Book Depr Resr 12/31/05	Cost of Removal In Book Res.	Gross Salvage In Book Res.	Total Depr Reserve 12/31/05
(a)	(b)	(c)	(h)	(i)	(j)	(k)
361.93	All Materials - 10 In - 16 In	359,521.20	16,332.53		0.00	16,332.53
	Total Gravity Sewers	48,889,189.73	13,979,620.00	0.00	0.00	13,979,620.00
363.00	Services To Customers	8,382,150.72	2,715,358.00	-	0.00	2,715,358.00
	Total Collection Plant	65,887,366.24	19,942,759.00	0.00	0.00	19,942,759.00
	Pumping Equipment					
354.30	Structures & Improv-Pumping Plant	14,409.82	65.00	-	0.00	65.00
371.10	Electric Pumping Equipment	545,702.94	54,133.24	-	0.00	54,133.24
371.20	Other Pumping Equipment	195,293.76	56,219.76	-	0.00	56,219.76
	Total Pumping Equipment	755,406.52	110,418.00	0.00	0.00	110,418.00
	Treatment & Disposal Equipment					
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91	3,698,886.00	-	0.00	3,698,886.00
380.00	Treatment & Disposal Equipment	373,928.53	34,606.87	-	0.00	34,606.87
380.05	Grit Removal	411,339.03	123,649.28	-	0.00	123,649.28
380.10	Sedimentation Tanks	4,667,723.09	1,739,294.11	-	0.00	1,739,294.11
380.25	Sludge Digester Tanks	5,856.87	1,019.73	-	0.00	1,019.73
380.30	Sludge Drying Equipment	1,640,327.87	1,091,875.86	-	0.00	1,091,875.86
380.35	Secondary Treatment	1,821,496.39	970,186.99	-	0.00	970,186.99
380.40	Auxiliary Effluent Treatment	1,743,644.57	437,004.88	-	0.00	437,004.88
380.50	Chemical Treatment	654,636.09	320,870.82	-	0.00	320,870.82
380.60	Other Disposal Equipment	733,837.36	392,294.37	-	0.00	392,294.37
380.65	Influent Liftstations	1,944,980.64	508,743.09	-	0.00	508,743.09
382.00	Outfall Sewer Lines	900,797.38	317,597.00	-	0.00	317,597.00
389.20	Other Plant & Misc Equipment	0.00	8,882.00	-	0.00	8,882.00
	Total Treat & Disposal Equip	27,631,355.73	9,644,911.00	0.00	0.00	9,644,911.00
	General Plant					
354.50	Structures & Improv-General	2,493,929.91	13,664.00	-	0.00	13,664.00
390.00	Office Furniture & Equipment	142,494.85	28,634.00	-	0.00	28,634.00
391.00	Transportation Equipment	111,607.76	118,794.00	-	0.00	118,794.00
392.00	Stores Equipment	10,989.08	4,690.00	-	0.00	4,690.00
393.00	Tools, Shop & Garage Equipment	199,653.07	48,827.00	-	0.00	48,827.00
394.00	Laboratory	119,450.60	41,753.00	-	0.00	41,753.00
395.00	Power Operated Equipment	243,316.64	66,138.00	-	0.00	66,138.00
396.00	Communication Equipment	135,597.47	18,365.00	-	0.00	18,365.00
397.00	Miscellaneous Equipment	68,890.90	10,419.00	-	0.00	10,419.00
	Total General Plant	3,525,930.28	351,284.00	0.00	0.00	351,284.00
	TOTAL DEPRECIABLE PLANT	97,800,058.77	30,049,372.00	0.00	0.00	30,049,372.00
	NON-DEPRECIABLE PLANT					
351.00	Organization	361,048.00	0.00	-	0.00	0.00
352.00	Franchises	581,059.32	-22,708.00	-	0.00	-22,708.00
353.00	Land & Land Rights	310,554.74	-43,325.00	-	0.00	-43,325.00
389.10	Other Plant & Misc Equipment	397,609.63	172,184.00	-	0.00	172,184.00
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69	106,151.00	0.00	0.00	106,151.00
	TOTAL PLANT IN SERVICE	99,450,330.46	30,155,523.00	0.00	0.00	30,155,523.00

Table 2 - Plant Only

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	DEPRECIABLE PLANT										
	Collection Plant										
354.20	Structures & Improvements - Collection	4,711,540.90	0%	0.00	4,711,540.90	2,611,275.00	2,100,265.90	40-R2	28.2	74,451.11	1.58%
	Sewers-Force										
360.00	Unidentified	360,811.78	0%	0.00	360,811.78	40,617.48	320,194.30	75-R3	64.8	4,942.03	1.37%
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	0%	0.00	58,256.00	16,031.90	42,224.10	50-R3	33.4	1,265.71	2.17%
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	0%	0.00	393,222.13	72,619.68	320,602.45	75-R3	58.3	5,503.90	1.40%
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	0%	0.00	468,281.16	63,199.83	405,081.33	75-R3	62.8	6,454.45	1.38%
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00	0%	0.00	93,892.00	29,638.85	64,253.15	85-R3	52.5	1,222.94	1.30%
360.21	Asbestos Cement - 4 In & Under	115.00	0%	0.00	115.00	83.51	31.49	35-R3	4.3	7.39	6.43%
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	0%	0.00	36,605.91	13,092.77	23,513.14	65-R3	36.9	637.56	1.74%
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	0%	0.00	216,301.00	91,374.91	124,926.09	65-R3	31.8	3,930.97	1.82%
360.24	Asbestos Cement - 18 In & Over	629,145.26	0%	0.00	629,145.26	185,482.74	443,662.52	75-R3	48.3	9,195.08	1.46%
360.34	Steel - 18 In & Over	24,523.00	0%	0.00	24,523.00	8,221.47	16,301.53	75-R3	44.6	365.75	1.49%
360.61	Plastic - 4 In & Under	39,918.01	0%	0.00	39,918.01	3,495.41	36,422.60	60-R3	53.6	679.02	1.70%
360.62	Plastic - 6 In - 8 In	319,794.28	0%	0.00	319,794.28	25,403.29	294,390.99	65-R3	58.8	5,010.91	1.57%
360.63	Plastic - 10 In - 16 In	1,738.82	0%	0.00	1,738.82	204.73	1,534.09	65-R3	55.7	27.52	1.58%
360.64	Plastic - 18 In & Over	70,534.00	0%	0.00	70,534.00	2,397.63	68,136.37	75-R3	44.6	1,528.75	2.17%
360.71	Valves - 4 In & Under	52,244.07	0%	0.00	52,244.07	13,872.70	38,371.37	35-R3	23.8	1,614.96	3.09%
360.73	Valves - 10 In - 16 In	31,277.11	0%	0.00	31,277.11	8,641.07	22,636.04	45-R3	30.0	755.54	2.42%
360.75	Valve Boxes	1,694.47	0%	0.00	1,694.47	458.61	1,235.86	45-R3	30.3	40.83	2.41%
360.80	Manholes & Cleanouts	1,106,130.89	0%	0.00	1,106,130.89	61,669.41	1,044,461.48	45-R3	42.0	24,885.91	2.25%
	Total Force Sewers	3,904,484.89	0%	0.00	3,904,484.89	636,506.00	3,267,978.89		48.0	68,069.21	1.74%
	Sewers-Gravity										
361.00	Unidentified	7,862,642.46	0%	0.00	7,862,642.46	3,044,019.06	4,818,623.40	75-R3	48.7	99,026.37	1.26%
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	0%	0.00	2,180,197.92	450,675.71	1,729,522.21	75-R3	60.9	28,380.74	1.30%
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	0%	0.00	1,429,225.75	285,797.41	1,143,428.34	75-R3	61.4	18,622.61	1.30%
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	0%	0.00	237,122.44	44,610.07	192,512.37	85-R3	70.5	2,731.06	1.15%
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	0%	0.00	1,426,185.04	609,216.06	816,968.98	65-R3	39.8	20,521.70	1.44%
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	0%	0.00	917,697.12	410,459.05	507,238.07	65-R3	38.6	13,130.68	1.43%
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	0%	0.00	1,167,714.84	351,067.91	816,646.93	75-R3	54.6	14,970.61	1.28%
361.32	Steel - 6 In - 8 In	3,839.00	0%	0.00	3,839.00	2,109.42	1,729.58	45-R3	22.6	76.63	2.00%
361.33	Steel - 10 In - 16 In	27,280.00	0%	0.00	27,280.00	10,241.73	17,038.27	70-R3	46.2	369.11	1.35%
361.34	Steel - 18 In & Over	23,445.00	0%	0.00	23,445.00	11,060.81	12,384.19	75-R3	42.9	288.68	1.23%
361.42	Concrete - 6 In - 8 In	1,032.05	0%	0.00	1,032.05	96.58	935.47	75-R3	68.6	13.83	1.32%
361.43	Concrete - 10 In - 16 In	13,589.09	0%	0.00	13,589.09	8,417.41	5,171.68	75-R3	32.9	157.39	1.16%
361.44	Concrete - 18 In & Over	530,839.68	0%	0.00	530,839.68	195,193.82	335,645.86	85-R3	56.7	5,924.90	1.12%
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	0%	0.00	2,534,101.46	1,078,356.54	1,455,744.92	75-R3	46.1	31,612.27	1.25%

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	0%	0.00	919,603.18	416,113.82	503,489.36	75-R3	44.2	11,388.59	1.24%
361.54	Vitrified Clay - 18 In & Over	671,156.00	0%	0.00	671,156.00	293,113.70	378,042.30	85-R3	51.3	7,364.94	1.10%
361.61	Plastic - 4 In & Under	19,832.97	0%	0.00	19,832.97	5,145.91	14,687.06	60-R3	45.9	320.12	1.61%
361.62	Plastic - 6 In - 8 In	9,007,184.78	0%	0.00	9,007,184.78	1,981,997.96	7,025,186.82	65-R3	52.0	135,021.85	1.50%
361.63	Plastic - 10 In - 16 In	3,664,716.15	0%	0.00	3,664,716.15	844,733.09	2,819,983.06	65-R3	51.4	54,852.81	1.50%
361.64	Plastic - 18 In & Over	1,837,073.96	0%	0.00	1,837,073.96	261,829.75	1,575,244.21	75-R3	65.3	24,123.19	1.31%
361.72	Valves - 6 In - 8 In	533.00	0%	0.00	533.00	260.60	272.40	45-R3	25.0	10.88	2.04%
361.76	Drop Connections/Junctions	66,285.69	0%	0.00	66,285.69	38,676.35	27,609.34	45-R3	21.2	1,303.56	1.97%
361.77	Special Construction	87,599.52	0%	0.00	87,599.52	26,380.10	61,219.42	60-R3	43.6	1,403.79	1.60%
361.80	Manholes & Cleanouts	9,079,358.96	0%	0.00	9,079,358.96	3,181,967.25	5,897,391.71	45-R3	30.7	192,160.04	2.12%
361.82	Crossings - 6 In - 8 In	25,978.00	0%	0.00	25,978.00	9,955.72	16,022.28	75-R3	48.9	327.45	1.26%
361.83	Crossings - 10 In - 16 In	193,910.95	0%	0.00	193,910.95	56,426.76	137,484.19	75-R3	55.2	2,490.66	1.28%
361.84	Crossings - 18 In & Over	647,485.16	0%	0.00	647,485.16	136,508.69	510,976.47	85-R3	68.7	7,433.47	1.15%
361.91	All Materials - 4 In & Under	91,684.40	0%	0.00	91,684.40	3,675.67	88,008.73	65-R3	62.6	1,404.99	1.53%
361.92	All Materials - 6 In - 8 In	3,862,353.96	0%	0.00	3,862,353.96	205,180.50	3,657,173.46	65-R3	61.9	59,110.61	1.53%
361.93	All Materials - 10 In - 16 In	359,521.20	0%	0.00	359,521.20	16,332.53	343,188.67	65-R3	62.3	5,506.88	1.53%
	Total Gravity Sewers	48,889,189.73	0%	0.00	48,889,189.73	13,979,620.00	34,909,569.73		47.2	740,050.21	1.51%
363.00	Services To Customers	8,382,150.72	0%	0.00	8,382,150.72	2,715,358.00	5,666,792.72	55-R3	38.9	145,563.65	1.74%
	Total Collection Plant	65,887,366.24	0%	0.00	65,887,366.24	19,942,759.00	45,944,607.24		44.7	1,028,134.18	
	Pumping Equipment										
354.30	Structures & Improv-Pumping Plant	14,409.82	0%	0.00	14,409.82	65.00	14,344.82	40-R2	37.4	383.14	2.66%
371.10	Electric Pumping Equipment	545,702.94	0%	0.00	545,702.94	54,133.24	491,569.70	25-R2	22.8	21,522.32	3.94%
371.20	Other Pumping Equipment	195,293.76	0%	0.00	195,293.76	56,219.76	139,074.00	25-R2	18.7	7,421.24	3.80%
	Total Pumping Equipment	755,406.52	0%	0.00	755,406.52	110,418.00	644,988.52		22.0	29,326.70	3.88%
	Treatment & Disposal Equipment										
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91	0%	0.00	12,732,787.91	3,698,886.00	9,033,901.91	30-R2.5	18.3	494,195.95	3.88%
380.00	Treatment & Disposal Equipment	373,928.53	0%	0.00	373,928.53	34,606.87	339,321.66	20-R2.5	17.6	19,268.69	5.15%
380.05	Grit Removal	411,339.03	0%	0.00	411,339.03	123,649.28	287,689.75	15-R3	9.3	31,101.59	7.56%
380.10	Sedimentation Tanks	4,667,723.09	0%	0.00	4,667,723.09	1,739,294.11	2,928,428.98	20-R3	10.4	280,500.86	6.01%
380.25	Sludge Digester Tanks	5,856.87	0%	0.00	5,656.87	1,019.73	4,837.14	15-R3	11.6	416.28	7.11%
380.30	Sludge Drying Equipment	1,640,327.87	0%	0.00	1,640,327.87	1,091,875.86	548,452.01	15-R3	3.7	147,830.73	9.01%
380.35	Secondary Treatment	1,821,496.39	0%	0.00	1,821,496.39	970,186.99	851,309.40	20-R2.5	6.7	127,251.03	6.99%
380.40	Auxiliary Effluent Treatment	1,743,644.57	0%	0.00	1,743,644.57	437,004.88	1,306,639.69	20-R2.5	13.5	96,644.95	5.54%
380.50	Chemical Treatment	654,636.09	0%	0.00	654,636.09	320,870.82	333,765.27	10-R3	3.7	89,481.30	13.67%
380.60	Other Disposal Equipment	733,837.36	0%	0.00	733,837.36	392,294.37	341,542.99	20-R2.5	6.3	54,559.58	7.43%
380.65	Influent Liftstations	1,944,980.64	0%	0.00	1,944,980.64	508,743.09	1,436,237.55	20-R2.5	13.4	106,862.91	5.49%
382.00	Outfall Sewer Lines	900,797.38	0%	0.00	900,797.38	317,597.00	583,200.38	75-R3	54.1	10,776.06	1.20%
389.20	Other Plant & Misc Equipment	0.00	0%	0.00	0.00	8,882.00	-8,882.00		0.0	0.00	0.00%
	Total Treat & Disposal Equip	27,631,355.73	0%	0.00	27,631,355.73	9,644,911.00	17,986,444.73		12.3	1,458,889.94	5.28%

Table 2 - Plant Only

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	General Plant										
354.50	Structures & Improv-General	2,493,929.91	0%	0.00	2,493,929.91	13,664.00	2,480,265.91	35-R2	32.2	76,979.08	3.09%
390.00	Office Furniture & Equipment	142,494.85	0%	0.00	142,494.85	28,634.00	113,860.85	12-R2	5.5	20,626.97	14.48%
391.00	Transportation Equipment	111,607.76	0%	0.00	111,607.76	118,794.00	-7,186.24 (1)	8-R3	3.9	0.00	0.00%
392.00	Stores Equipment	10,989.08	0%	0.00	10,989.08	4,690.00	6,299.08	20-R3	10.2	619.99	5.64%
393.00	Tools, Shop & Garage Equipment	199,653.07	0%	0.00	199,653.07	48,827.00	150,826.07	25-L1.5	15.7	9,631.29	4.82%
394.00	Laboratory	119,450.60	0%	0.00	119,450.60	41,753.00	77,697.60	18-R3	8.7	8,910.28	7.46%
395.00	Power Operated Equipment	243,316.64	0%	0.00	243,316.64	66,138.00	177,178.64	10-R3	3.2	55,024.42	22.61%
396.00	Communication Equipment	135,597.47	0%	0.00	135,597.47	18,365.00	117,232.47	15-R3	11.2	10,448.53	7.71%
397.00	Miscellaneous Equipment	68,890.90	0%	0.00	68,890.90	10,419.00	58,471.90	15-R4	8.8	6,614.47	9.60%
	Total General Plant	3,525,930.28	0%	0.00	3,525,930.28	351,284.00	3,174,646.28		16.8	188,855.02	5.36%
	TOTAL DEPRECIABLE PLANT	97,800,058.77	0%	0.00	97,800,058.77	30,049,372.00	67,750,686.77		25.0	2,705,205.84	2.77%
	NON-DEPRECIABLE PLANT										
351.00	Organization	361,048.00									
352.00	Franchises	581,059.32									
353.00	Land & Land Rights	310,554.74									
389.10	Other Plant & Misc Equipment	397,609.63									
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69									
	TOTAL PLANT IN SERVICE	99,450,330.46									

(1) Fully Depreciated. No Further Depreciation.

Exhibit 9.02

Table 2 - Gross Salvage

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	DEPRECIABLE PLANT										
	Collection Plant										
354.20	Structures & Improvements - Collection	4,711,540.90	0%	0.00	4,711,540.90	0.00	0.00	40-R2	28.21	0.00	0.00%
	Sewers-Force										
360.00	Unidentified	360,811.78	0%	0.00	360,811.78	0.00	0.00	75-R3	64.79	0.00	0.00%
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	0%	0.00	58,256.00	0.00	0.00	50-R3	33.36	0.00	0.00%
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	0%	0.00	393,222.13	0.00	0.00	75-R3	58.25	0.00	0.00%
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	0%	0.00	468,281.16	0.00	0.00	75-R3	62.76	0.00	0.00%
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00	0%	0.00	93,892.00	0.00	0.00	85-R3	52.54	0.00	0.00%
360.21	Asbestos Cement - 4 In & Under	115.00	0%	0.00	115.00	0.00	0.00	35-R3	4.26	0.00	0.00%
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	0%	0.00	36,605.91	0.00	0.00	65-R3	36.88	0.00	0.00%
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	0%	0.00	216,301.00	0.00	0.00	65-R3	31.78	0.00	0.00%
360.24	Asbestos Cement - 18 In & Over	629,145.26	0%	0.00	629,145.26	0.00	0.00	75-R3	48.25	0.00	0.00%
360.34	Steel - 18 In & Over	24,523.00	0%	0.00	24,523.00	0.00	0.00	75-R3	44.57	0.00	0.00%
360.61	Plastic - 4 In & Under	39,918.01	0%	0.00	39,918.01	0.00	0.00	60-R3	53.64	0.00	0.00%
360.62	Plastic - 6 In - 8 In	319,794.28	0%	0.00	319,794.28	0.00	0.00	65-R3	58.75	0.00	0.00%
360.63	Plastic - 10 In - 16 In	1,738.82	0%	0.00	1,738.82	0.00	0.00	65-R3	55.74	0.00	0.00%
360.64	Plastic - 18 In & Over	70,534.00	0%	0.00	70,534.00	0.00	0.00	75-R3	44.57	0.00	0.00%
360.71	Valves - 4 In & Under	52,244.07	0%	0.00	52,244.07	0.00	0.00	35-R3	23.76	0.00	0.00%
360.73	Valves - 10 In - 16 In	31,277.11	0%	0.00	31,277.11	0.00	0.00	45-R3	29.96	0.00	0.00%
360.75	Valve Boxes	1,694.47	0%	0.00	1,694.47	0.00	0.00	45-R3	30.27	0.00	0.00%
360.80	Manholes & Cleanouts	1,106,130.89	0%	0.00	1,106,130.89	0.00	0.00	45-R3	41.97	0.00	0.00%
	Total Force Sewers	3,904,484.89	0%	0.00	3,904,484.89	0.00	0.00			0.00	0.00%
	Sewers-Gravity										
361.00	Unidentified	7,862,642.46	0%	0.00	7,862,642.46	0.00	0.00	75-R3	48.66	0.00	0.00%
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	0%	0.00	2,180,197.92	0.00	0.00	75-R3	60.94	0.00	0.00%
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	0%	0.00	1,429,225.75	0.00	0.00	75-R3	61.40	0.00	0.00%
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	0%	0.00	237,122.44	0.00	0.00	85-R3	70.49	0.00	0.00%
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	0%	0.00	1,426,185.04	0.00	0.00	65-R3	39.81	0.00	0.00%
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	0%	0.00	917,697.12	0.00	0.00	65-R3	38.63	0.00	0.00%
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	0%	0.00	1,167,714.84	0.00	0.00	75-R3	54.55	0.00	0.00%
361.32	Steel - 6 In - 8 In	3,839.00	0%	0.00	3,839.00	0.00	0.00	45-R3	22.57	0.00	0.00%
361.33	Steel - 10 In - 16 In	27,280.00	0%	0.00	27,280.00	0.00	0.00	70-R3	46.16	0.00	0.00%
361.34	Steel - 18 In & Over	23,445.00	0%	0.00	23,445.00	0.00	0.00	75-R3	42.90	0.00	0.00%
361.42	Concrete - 6 In - 8 In	1,032.05	0%	0.00	1,032.05	0.00	0.00	75-R3	68.63	0.00	0.00%
361.43	Concrete - 10 In - 16 In	13,589.09	0%	0.00	13,589.09	0.00	0.00	75-R3	32.86	0.00	0.00%
361.44	Concrete - 18 In & Over	530,839.68	0%	0.00	530,839.68	0.00	0.00	85-R3	56.65	0.00	0.00%
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	0%	0.00	2,534,101.46	0.00	0.00	75-R3	46.05	0.00	0.00%

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	0%	0.00	919,603.18	0.00	0.00	75-R3	44.21	0.00	0.00%
361.54	Vitrified Clay - 18 In & Over	671,156.00	0%	0.00	671,156.00	0.00	0.00	85-R3	51.33	0.00	0.00%
361.61	Plastic - 4 In & Under	19,832.97	0%	0.00	19,832.97	0.00	0.00	60-R3	45.88	0.00	0.00%
361.62	Plastic - 6 In - 8 In	9,007,184.78	0%	0.00	9,007,184.78	0.00	0.00	65-R3	52.03	0.00	0.00%
361.63	Plastic - 10 In - 16 In	3,664,716.15	0%	0.00	3,664,716.15	0.00	0.00	65-R3	51.41	0.00	0.00%
361.64	Plastic - 18 In & Over	1,837,073.96	0%	0.00	1,837,073.96	0.00	0.00	75-R3	65.30	0.00	0.00%
361.72	Valves - 6 In - 8 In	533.00	0%	0.00	533.00	0.00	0.00	45-R3	25.04	0.00	0.00%
361.76	Drop Connections/Junctions	66,285.69	0%	0.00	66,285.69	0.00	0.00	45-R3	21.18	0.00	0.00%
361.77	Special Construction	87,599.52	0%	0.00	87,599.52	0.00	0.00	60-R3	43.61	0.00	0.00%
361.80	Manholes & Cleanouts	9,079,358.96	0%	0.00	9,079,358.96	0.00	0.00	45-R3	30.69	0.00	0.00%
361.82	Crossings - 6 In - 8 In	25,978.00	0%	0.00	25,978.00	0.00	0.00	75-R3	48.93	0.00	0.00%
361.83	Crossings - 10 In - 16 In	193,910.95	0%	0.00	193,910.95	0.00	0.00	75-R3	55.20	0.00	0.00%
361.84	Crossings - 18 In & Over	647,485.16	0%	0.00	647,485.16	0.00	0.00	85-R3	68.74	0.00	0.00%
361.91	All Materials - 4 In & Under	91,684.40	0%	0.00	91,684.40	0.00	0.00	65-R3	62.64	0.00	0.00%
361.92	All Materials - 6 In - 8 In	3,862,353.96	0%	0.00	3,862,353.96	0.00	0.00	65-R3	61.87	0.00	0.00%
361.93	All Materials - 10 In - 16 In	359,521.20	0%	0.00	359,521.20	0.00	0.00	65-R3	62.32	0.00	0.00%
	Total Gravity Sewers	48,889,189.73	0%	0.00	48,889,189.73	0.00	0.00			0.00	0.00%
363.00	Services To Customers	8,382,150.72	0%	0.00	8,382,150.72	0.00	0.00	55-R3	38.93	0.00	0.00%
	Total Collection Plant	65,887,366.24	0%	0.00	65,887,366.24	0.00	0.00			0.00	0.00%
	Pumping Equipment										
354.30	Structures & Improv-Pumping Plant	14,409.82	0%	0.00	14,409.82	0.00	0.00	40-R2	37.44	0.00	0.00%
371.10	Electric Pumping Equipment	545,702.94	0%	0.00	545,702.94	0.00	0.00	25-R2	22.84	0.00	0.00%
371.20	Other Pumping Equipment	195,293.76	0%	0.00	195,293.76	0.00	0.00	25-R2	18.74	0.00	0.00%
	Total Pumping Equipment	755,406.52	0%	0.00	755,406.52	0.00	0.00			0.00	0.00%
	Treatment & Disposal Equipment										
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91	0%	0.00	12,732,787.91	0.00	0.00	30-R2.5	18.28	0.00	0.00%
380.00	Treatment & Disposal Equipment	373,928.53	0%	0.00	373,928.53	0.00	0.00	20-R2.5	17.61	0.00	0.00%
380.05	Grit Removal	411,339.03	0%	0.00	411,339.03	0.00	0.00	15-R3	9.25	0.00	0.00%
380.10	Sedimentation Tanks	4,667,723.09	0%	0.00	4,667,723.09	0.00	0.00	20-R3	10.44	0.00	0.00%
380.25	Sludge Digester Tanks	5,856.87	0%	0.00	5,856.87	0.00	0.00	15-R3	11.62	0.00	0.00%
380.30	Sludge Drying Equipment	1,640,327.87	0%	0.00	1,640,327.87	0.00	0.00	15-R3	3.71	0.00	0.00%
380.35	Secondary Treatment	1,821,496.39	0%	0.00	1,821,496.39	0.00	0.00	20-R2.5	6.69	0.00	0.00%
380.40	Auxiliary Effluent Treatment	1,743,644.57	0%	0.00	1,743,644.57	0.00	0.00	20-R2.5	13.52	0.00	0.00%
380.50	Chemical Treatment	654,636.09	0%	0.00	654,636.09	0.00	0.00	10-R3	3.73	0.00	0.00%
380.60	Other Disposal Equipment	733,837.36	0%	0.00	733,837.36	0.00	0.00	20-R2.5	6.26	0.00	0.00%
380.65	Influent Liftstations	1,944,980.64	0%	0.00	1,944,980.64	0.00	0.00	20-R2.5	13.44	0.00	0.00%
382.00	Outfall Sewer Lines	900,797.38	0%	0.00	900,797.38	0.00	0.00	75-R3	54.12	0.00	0.00%
389.20	Other Plant & Misc Equipment	0.00	0%	0.00	0.00	0.00	0.00		0.00	0.00	0.00%
	Total Treat & Disposal Equip	27,631,355.73	0%	0.00	27,631,355.73	0.00	0.00		0.00	0.00	0.00%

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of *Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of* Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	General Plant										
354.50	*Structures & Improv-General*	2,493,929.91	0%	0.00	2,493,929.91	0.00	0.00	35-R2	32.22	0.00	0.00%
390.00	Office Furniture & Equipment	142,494.85	0%	0.00	142,494.85	0.00	0.00	12-R2	5.52	0.00	0.00%
391.00	Transportation Equipment	111,607.76	15%	16,741.16	94,866.60	0.00	-16,741.16 (1)	8-R3	3.90	0.00	0.00%
392.00	*Stores Equipment*	10,989.08	0%	0.00	10,989.08	0.00	0.00	20-R3	10.16	0.00	0.00%
393.00	Tools, Shop & Garage Equipment	199,653.07	0%	0.00	199,653.07	0.00	0.00	25-L1.5	15.66	0.00	0.00%
394.00	Laboratory	119,450.60	0%	0.00	119,450.60	0.00	0.00	18-R3	8.72	0.00	0.00%
395.00	Power Operated Equipment	243,316.64	20%	48,663.33	194,653.31	0.00	-48,663.33	10-R3	3.22	-15,112.84	-6.21%
396.00	Communication Equipment	135,597.47	0%	0.00	135,597.47	0.00	0.00	15-R3	11.22	0.00	0.00%
397.00	Miscellaneous Equipment	68,890.90	0%	0.00	68,890.90	0.00	0.00	15-R4	8.84	0.00	0.00%
	Total General Plant	3,525,930.28	2%	65,404.49	3,460,525.79	0.00	-65,404.49		4.33	-15,112.84	-0.43%
	TOTAL DEPRECIABLE PLANT	97,800,058.77	0%	65,404.49	97,734,654.28	0.00	-65,404.49		4.33	-15,112.84	-0.02%
	NON-DEPRECIABLE PLANT										
351.00	Organization	361,048.00									
352.00	Franchises	581,059.32									
353.00	Land & Land Rights	310,554.74									
389.10	Other Plant & Misc Equipment	397,609.63									
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69									
	TOTAL PLANT IN SERVICE	99,450,330.46									

(1) Fully Depreciated. No Further Depreciation.

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	DEPRECIABLE PLANT										
	Collection Plant										
354.20	Structures & Improvements - Collection	4,711,540.90	-10%	-471,154.09	5,182,694.99	0.00	471,154.09	40-R2	28.2	16,701.67	0.35%
	Sewers-Force										
360.00	Unidentified	360,811.78	-40%	-144,324.71	505,136.49	0.00	144,324.71	75-R3	64.8	2,227.58	0.62%
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	-40%	-23,302.40	81,558.40	0.00	23,302.40	50-R3	33.4	698.51	1.20%
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	-40%	-157,288.85	550,510.98	0.00	157,288.85	75-R3	58.3	2,700.24	0.69%
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	-40%	-187,312.46	655,593.62	0.00	187,312.46	75-R3	62.8	2,984.58	0.64%
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00	-40%	-37,556.80	131,448.80	0.00	37,556.80	85-R3	52.5	714.82	0.76%
360.21	Asbestos Cement - 4 In & Under	115.00	-40%	-46.00	161.00	0.00	46.00	35-R3	4.3	10.80	9.39%
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	-40%	-14,642.36	51,248.27	0.00	14,642.36	65-R3	36.9	397.03	1.08%
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	-40%	-86,520.40	302,821.40	0.00	86,520.40	65-R3	31.8	2,722.48	1.26%
360.24	Asbestos Cement - 18 In & Over	629,145.26	-40%	-251,658.10	880,803.36	0.00	251,658.10	75-R3	48.3	5,215.71	0.83%
360.34	Steel - 18 In & Over	24,523.00	-40%	-9,809.20	34,332.20	0.00	9,809.20	75-R3	44.6	220.09	0.90%
360.61	Plastic - 4 In & Under	39,918.01	-40%	-15,967.20	55,885.21	0.00	15,967.20	60-R3	53.6	297.67	0.75%
360.62	Plastic - 6 In - 8 In	319,794.28	-40%	-127,917.71	447,711.99	0.00	127,917.71	65-R3	58.8	2,177.32	0.68%
360.63	Plastic - 10 In - 16 In	1,738.82	-40%	-695.53	2,434.35	0.00	695.53	65-R3	55.7	12.48	0.72%
360.64	Plastic - 18 In & Over	70,534.00	-40%	-28,213.60	98,747.60	0.00	28,213.60	75-R3	44.6	633.02	0.90%
360.71	Valves - 4 In & Under	52,244.07	-40%	-20,897.63	73,141.70	0.00	20,897.63	35-R3	23.8	879.53	1.68%
360.73	Valves - 10 In - 16 In	31,277.11	-40%	-12,510.84	43,787.95	0.00	12,510.84	45-R3	30.0	417.58	1.34%
360.75	Valve Boxes	1,694.47	-40%	-677.79	2,372.26	0.00	677.79	45-R3	30.3	22.39	1.32%
360.80	Manholes & Cleanouts	1,106,130.89	-40%	-442,452.36	1,548,583.25	0.00	442,452.36	45-R3	42.0	10,542.11	0.95%
	Total Force Sewers	3,904,484.89	-40%	-1,561,793.94	5,466,278.83	0.00	1,561,793.94		47.5	32,873.94	0.84%
	Sewers-Gravity										
361.00	Unidentified	7,862,642.46	-40%	-3,145,056.98	11,007,699.44	0.00	3,145,056.98	75-R3	48.7	64,633.31	0.82%
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	-40%	-872,079.17	3,052,277.09	0.00	872,079.17	75-R3	60.9	14,310.46	0.66%
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	-40%	-571,690.30	2,000,916.05	0.00	571,690.30	75-R3	61.4	9,310.92	0.65%
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	-40%	-94,848.98	331,971.42	0.00	94,848.98	85-R3	70.5	1,345.57	0.57%
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	-40%	-570,474.02	1,996,659.06	0.00	570,474.02	65-R3	39.8	14,329.92	1.00%
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	-40%	-367,078.85	1,284,775.97	0.00	367,078.85	65-R3	38.6	9,502.43	1.04%
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	-40%	-467,085.94	1,634,800.78	0.00	467,085.94	75-R3	54.6	8,562.53	0.73%
361.32	Steel - 6 In - 8 In	3,839.00	-40%	-1,535.60	5,374.60	0.00	1,535.60	45-R3	22.6	68.04	1.77%
361.33	Steel - 10 In - 16 In	27,280.00	-40%	-10,912.00	38,192.00	0.00	10,912.00	70-R3	46.2	236.40	0.87%
361.34	Steel - 18 In & Over	23,445.00	-40%	-9,378.00	32,823.00	0.00	9,378.00	75-R3	42.9	218.60	0.93%
361.42	Concrete - 6 In - 8 In	1,032.05	-40%	-412.82	1,444.87	0.00	412.82	75-R3	68.6	6.02	0.58%
361.43	Concrete - 10 In - 16 In	13,589.09	-40%	-5,435.64	19,024.73	0.00	5,435.64	75-R3	32.9	165.42	1.22%
361.44	Concrete - 18 In & Over	530,839.68	-40%	-212,335.87	743,175.55	0.00	212,335.87	85-R3	56.7	3,748.21	0.71%
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	-40%	-1,013,640.58	3,547,742.04	0.00	1,013,640.58	75-R3	46.1	22,011.74	0.87%

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service and Calculation of Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	-40%	-367,841.27	1,287,444.45	0.00	367,841.27	75-R3	44.2	8,320.32	0.90%
361.54	Vitrified Clay - 18 In & Over	671,156.00	-40%	-268,462.40	939,618.40	0.00	268,462.40	85-R3	51.3	5,230.13	0.78%
361.61	Plastic - 4 In & Under	19,832.97	-40%	-7,933.19	27,766.16	0.00	7,933.19	60-R3	45.9	172.91	0.87%
361.62	Plastic - 6 In - 8 In	9,007,184.78	-40%	-3,602,873.91	12,610,058.69	0.00	3,602,873.91	65-R3	52.0	69,246.09	0.77%
361.63	Plastic - 10 In - 16 In	3,664,716.15	-40%	-1,465,886.46	5,130,602.61	0.00	1,465,886.46	65-R3	51.4	28,513.64	0.78%
361.64	Plastic - 18 In & Over	1,837,073.96	-40%	-734,829.58	2,571,903.54	0.00	734,829.58	75-R3	65.3	11,253.13	0.61%
361.72	Valves - 6 In - 8 In	533.00	-40%	-213.20	746.20	0.00	213.20	45-R3	25.0	8.51	1.60%
361.76	Drop Connections/Junctions	66,285.69	-40%	-26,514.28	92,799.97	0.00	26,514.28	45-R3	21.2	1,251.85	1.89%
361.77	Special Construction	87,599.52	-40%	-35,039.81	122,639.33	0.00	35,039.81	60-R3	43.6	803.48	0.92%
361.80	Manholes & Cleanouts	9,079,358.96	-40%	-3,631,743.58	12,711,102.54	0.00	3,631,743.58	45-R3	30.7	118,336.38	1.30%
361.82	Crossings - 6 In - 8 In	25,978.00	-40%	-10,391.20	36,369.20	0.00	10,391.20	75-R3	48.9	212.37	0.82%
361.83	Crossings - 10 In - 16 In	193,910.95	-40%	-77,564.38	271,475.33	0.00	77,564.38	75-R3	55.2	1,405.15	0.72%
361.84	Crossings - 18 In & Over	647,485.16	-40%	-258,994.06	906,479.22	0.00	258,994.06	85-R3	68.7	3,767.73	0.58%
361.91	All Materials - 4 In & Under	91,684.40	-40%	-36,673.76	128,358.16	0.00	36,673.76	65-R3	62.6	585.47	0.64%
361.92	All Materials - 6 In - 8 In	3,862,353.96	-40%	-1,544,941.58	5,407,295.54	0.00	1,544,941.58	65-R3	61.9	24,970.77	0.65%
361.93	All Materials - 10 In - 16 In	359,521.20	-40%	-143,808.48	503,329.68	0.00	143,808.48	65-R3	62.3	2,307.58	0.64%
	Total Gravity Sewers	48,889,189.73	-40%	-19,555,675.89	68,444,865.62	0.00	19,555,675.89		46.0	424,835.07	0.87%
363.00	Services To Customers	8,382,150.72	-125%	-10,477,688.40	18,859,839.12	0.00	10,477,688.40	55-R3	38.9	269,141.75	3.21%
	Total Collection Plant	65,887,366.24	-49%	-32,066,312.32	97,953,678.56	0.00	32,066,312.32		43.1	743,552.43	1.13%
	Pumping Equipment										
354.30	Structures & Improv-Pumping Plant	14,409.82	-10%	-1,440.98	15,850.80	0.00	1,440.98	40-R2	37.4	38.49	0.27%
371.10	Electric Pumping Equipment	545,702.94	-30%	-163,710.88	709,413.82	0.00	163,710.88	25-R2	22.8	7,167.73	1.31%
371.20	Other Pumping Equipment	195,293.76	-30%	-58,588.13	253,881.89	0.00	58,588.13	25-R2	18.7	3,126.37	1.60%
	Total Pumping Equipment	755,406.52	-30%	-223,739.99	979,146.51	0.00	223,739.99		21.7	10,332.58	1.37%
	Treatment & Disposal Equipment										
354.40	Structures & Improv-Treatment & Disposal i	12,732,787.91	-20%	-2,546,557.58	15,279,345.49	0.00	2,546,557.58	30-R2.5	18.3	139,308.40	1.09%
380.00	Treatment & Disposal Equipment	373,928.53	-25%	-93,482.13	467,410.66	0.00	93,482.13	20-R2.5	17.6	5,308.47	1.42%
380.05	Grit Removal	411,339.03	-25%	-102,834.76	514,173.79	0.00	102,834.76	15-R3	9.3	11,117.27	2.70%
380.10	Sedimentation Tanks	4,667,723.09	-25%	-1,166,930.77	5,834,653.86	0.00	1,166,930.77	20-R3	10.4	111,774.98	2.39%
380.25	Sludge Digester Tanks	5,856.87	-25%	-1,464.22	7,321.09	0.00	1,464.22	15-R3	11.6	126.01	2.15%
380.30	Sludge Drying Equipment	1,640,327.87	-25%	-410,081.97	2,050,409.84	0.00	410,081.97	15-R3	3.7	110,534.22	6.74%
380.35	Secondary Treatment	1,821,496.39	-25%	-455,374.10	2,276,870.49	0.00	455,374.10	20-R2.5	6.7	68,067.88	3.74%
380.40	Auxiliary Effluent Treatment	1,743,644.57	-25%	-435,911.14	2,179,555.71	0.00	435,911.14	20-R2.5	13.5	32,241.95	1.85%
380.50	Chemical Treatment	654,636.09	-25%	-163,659.02	818,295.11	0.00	163,659.02	10-R3	3.7	43,876.41	6.70%
380.60	Other Disposal Equipment	733,837.36	-25%	-183,459.34	917,296.70	0.00	183,459.34	20-R2.5	6.3	29,306.60	3.99%
380.65	Influent Liftstations	1,944,980.64	-25%	-486,245.16	2,431,225.80	0.00	486,245.16	20-R2.5	13.4	36,178.96	1.86%
382.00	Outfall Sewer Lines	900,797.38	-25%	-225,199.35	1,125,996.73	0.00	225,199.35	75-R3	54.1	4,161.11	0.46%
389.20	Other Plant & Misc Equipment	0.00	0%	0.00	0.00	0.00	0.00		0.0	0.00	0.00%
	Total Treat & Disposal Equip	27,631,355.73	-23%	-6,271,199.54	33,902,555.27	0.00	6,271,199.54		10.6	592,002.26	2.14%

Table 2 - COR

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant In Service and Calculation of *Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of* Book Deprecation Reserve and Average Remaining Lives as of December 31, 2005

Account No. (a)	Description (b)	Original Cost 12/31/05 (c)	Estimated Future Net Salvage % (d)	Estimated Future Net Salvage Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Deprecation Rate (l)
	General Plant										
354.50	Structures & Improv-General	2,493,929.91	0%	0.00	2,493,929.91	0.00	0.00	35-R2	32.2	0.00	0.00%
390.00	Office Furniture & Equipment	142,494.85	0%	0.00	142,494.85	0.00	0.00	12-R2	5.5	0.00	0.00%
391.00	Transportation Equipment	111,607.76	0%	0.00	111,607.76	0.00	0.00 (1)	8-R3	3.9	0.00	0.00%
392.00	Stores Equipment	10,989.08	0%	0.00	10,989.08	0.00	0.00	20-R3	10.2	0.00	0.00%
393.00	Tools, Shop & Garage Equipment	199,653.07	0%	0.00	199,653.07	0.00	0.00	25-L1.5	15.7	0.00	0.00%
394.00	Laboratory	119,450.60	0%	0.00	119,450.60	0.00	0.00	18-R3	8.7	0.00	0.00%
395.00	Power Operated Equipment	243,316.64	0%	0.00	243,316.64	0.00	0.00	10-R3	3.2	0.00	0.00%
396.00	Communication Equipment	135,597.47	0%	0.00	135,597.47	0.00	0.00	15-R3	11.2	0.00	0.00%
397.00	Miscellaneous Equipment	68,890.90	0%	0.00	68,890.90	0.00	0.00	15-R4	8.8	0.00	0.00%
	Total General Plant	3,525,930.28	0%	0.00	3,525,930.28	0.00	0.00		0.0	0.00	0.00%
	TOTAL DEPRECIABLE PLANT	97,800,058.77	-39%	-38,561,251.85	136,361,310.62	0.00	38,561,251.85		28.7	1,345,887.28	1.38%
	NON-DEPRECIABLE PLANT										
351.00	Organization	361,048.00									
352.00	Franchises	581,059.32									
353.00	Land & Land Rights	310,554.74									
389.10	Other Plant & Misc Equipment	397,609.63									
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69									
	TOTAL PLANT IN SERVICE	99,450,330.46									

(1) Fully Depreciated. No Further Depreciation.

Exhibit 9.02

Table 3

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Original Cost Per Depreciation Study

Acct. No. (a)	Account Description (b)	Original Cost Per Books 12-31-05 (c)	Adjustments (d)	Original Cost Per Depr. Study 12-31-05 (e)
	DEPRECIABLE PLANT			
	Collection Plant			
354.20	Structures & Improvements -Collection	4,711,540.90		4,711,540.90
	Sewers-Force			
360.00	Unidentified	360,811.78		360,811.78
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00		58,256.00
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13		393,222.13
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16		468,281.16
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00		93,892.00
360.21	Asbestos Cement - 4 In & Under	115.00		115.00
360.22	Asbestos Cement - 6 In - 8 In	36,605.91		36,605.91
360.23	Asbestos Cement - 10 In - 16 In	216,301.00		216,301.00
360.24	Asbestos Cement - 18 In & Over	629,145.26		629,145.26
360.34	Steel - 18 In & Over	24,523.00		24,523.00
360.61	Plastic - 4 In & Under	39,918.01		39,918.01
360.62	Plastic - 6 In - 8 In	319,794.28		319,794.28
360.63	Plastic - 10 In - 16 In	1,738.82		1,738.82
360.64	Plastic - 18 In & Over	70,534.00		70,534.00
360.71	Valves - 4 In & Under	52,244.07		52,244.07
360.73	Valves - 10 In - 16 In	31,277.11		31,277.11
360.75	Valve Boxes	1,694.47		1,694.47
360.80	Manholes & Cleanouts	1,106,130.89		1,106,130.89
	Total Force Sewers	3,904,484.89	0.00	3,904,484.89
	Sewers-Gravity			
361.00	Unidentified	7,862,642.46		7,862,642.46
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92		2,180,197.92
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75		1,429,225.75
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44		237,122.44
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04		1,426,185.04
361.23	Asbestos Cement - 10 In - 16 In	917,697.12		917,697.12
361.24	Asbestos Cement - 18 In & Over	1,167,714.84		1,167,714.84
361.32	Steel - 6 In - 8 In	3,839.00		3,839.00
361.33	Steel - 10 In - 16 In	27,280.00		27,280.00
361.34	Steel - 18 In & Over	23,445.00		23,445.00
361.42	Concrete - 6 In - 8 In	1,032.05		1,032.05
361.43	Concrete - 10 In - 16 In	13,589.09		13,589.09
361.44	Concrete - 18 In & Over	530,839.68		530,839.68
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46		2,534,101.46
361.53	Vitrified Clay - 10 In - 16 In	919,603.18		919,603.18
361.54	Vitrified Clay - 18 In & Over	671,156.00		671,156.00
361.61	Plastic - 4 In & Under	19,832.97		19,832.97
361.62	Plastic - 6 In - 8 In	9,007,184.78		9,007,184.78
361.63	Plastic - 10 In - 16 In	3,664,716.15		3,664,716.15
361.64	Plastic - 18 In & Over	1,837,073.96		1,837,073.96

Table 3

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Original Cost Per Depreciation Study

Acct. No.	Account Description	Original Cost Per Books 12-31-05	Adjustments	Original Cost Per Depr. Study 12-31-05
(a)	(b)	(c)	(d)	(e)
361.72	Valves - 6 In - 8 In	533.00		533.00
361.76	Drop Connections/Junctions	66,285.69		66,285.69
361.77	Special Construction	87,599.52		87,599.52
361.80	Manholes & Cleanouts	9,079,358.96		9,079,358.96
361.82	Crossings - 6 In - 8 In	25,978.00		25,978.00
361.83	Crossings - 10 In - 16 In	193,910.95		193,910.95
361.84	Crossings - 18 In & Over	647,485.16		647,485.16
361.91	All Materials - 4 In & Under	91,684.40		91,684.40
361.92	All Materials - 6 In - 8 In	3,862,353.96		3,862,353.96
361.93	All Materials - 10 In - 16 In	359,521.20		359,521.20
	Total Gravity Sewers	48,889,189.73	0.00	48,889,189.73
363.00	Services To Customers	8,382,150.72		8,382,150.72
	Total Collection Plant	65,887,366.24	0.00	65,887,366.24
	Pumping Equipment			
354.30	Structures & Improv-Pumping Plant	14,409.82		14,409.82
371.10	Electric Pumping Equipment	545,702.94		545,702.94
371.20	Other Pumping Equipment	195,293.76		195,293.76
	Total Pumping Equipment	755,406.52	0.00	755,406.52
	Treatment & Disposal Equipment			
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91		12,732,787.91
380.00	Treatment & Disposal Equipment	373,928.53		373,928.53
380.05	Grit Removal	411,339.03		411,339.03
380.10	Sedimentation Tanks	4,667,723.09		4,667,723.09
380.25	Sludge Digester Tanks	5,856.87		5,856.87
380.30	Sludge Drying Equipment	1,640,327.87		1,640,327.87
380.35	Secondary Treatment	1,821,496.39		1,821,496.39
380.40	Auxiliary Effluent Treatment	1,743,644.57		1,743,644.57
380.50	Chemical Treatment	654,636.09		654,636.09
380.60	Other Disposal Equipment	733,837.36		733,837.36
380.65	Influent Liftstations	1,944,980.64		1,944,980.64
382.00	Outfall Sewer Lines	900,797.38		900,797.38
389.20	Other Plant & Misc Equipment	0.00		0.00
	Total Treat & Disposal Equip	27,631,355.73	0.00	27,631,355.73
	General Plant			
354.50	Structures & Improv-General	2,493,929.91		2,493,929.91
390.00	Office Furniture & Equipment	142,494.85		142,494.85
391.00	Transportation Equipment	111,607.76		111,607.76
392.00	Stores Equipment	10,989.08		10,989.08
393.00	Tools, Shop & Garage Equipment	199,653.07		199,653.07
394.00	Laboratory	119,450.60		119,450.60
395.00	Power Operated Equipment	243,316.64		243,316.64
396.00	Communication Equipment	135,597.47		135,597.47
397.00	Miscellaneous Equipment	68,890.90		68,890.90
	Total General Plant	3,525,930.28	0.00	3,525,930.28
	TOTAL DEPRECIABLE PLANT	97,800,058.77	0.00	97,800,058.77

Table 3

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Original Cost Per Depreciation Study

Acct. No. (a)	Account Description (b)	Original Cost Per Books 12-31-05 (c)	Adjustments (d)	Original Cost Per Depr. Study 12-31-05 (e)
	NON-DEPRECIABLE PLANT			
351.00	Organization	361,048.00		361,048.00
352.00	Franchises	581,059.32		581,059.32
353.10	Land & Land Rights	310,554.74		310,554.74
389.10	Other Plant & Misc Equipment	397,609.63		397,609.63
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69	0.00	1,650,271.69
	TOTAL PLANT IN SERVICE	99,450,330.46	0.00	99,450,330.46

Table 4

ILLINOIS AMERICAN
All Wastewater Districts

Summary of Depreciation Reserve Related to Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Depreciation Reserve Per Depreciation Study

Acct. No. (a)	Account Description (b)	Depreciation Reserve Per Books 12-31-05 (c)	Adjustments (h)	Depreciation Reserve Per Depr. Study 12-31-05 (i)
	WASTEWATER DEPRECIABLE PLANT			
	Collection Plant			
354.20	Structures & Improvements -Collection	2,611,275.00		2,611,275.00
	Sewers-Force			
360.00	Unidentified	40,617.48		40,617.48
360.11	Cast & Ductile Iron - 4 In & Under	16,031.90		16,031.90
360.12	Cast & Ductile Iron - 6 In - 8 In	72,619.68		72,619.68
360.13	Cast & Ductile Iron - 10 In - 16 In	63,199.83		63,199.83
360.14	Cast & Ductile Iron - 18 In & Over	29,638.85		29,638.85
360.21	Asbestos Cement - 4 In & Under	83.51		83.51
360.22	Asbestos Cement - 6 In - 8 In	13,092.77		13,092.77
360.23	Asbestos Cement - 10 In - 16 In	91,374.91		91,374.91
360.24	Asbestos Cement - 18 In & Over	185,482.74		185,482.74
360.34	Steel - 18 In & Over	8,221.47		8,221.47
360.61	Plastic - 4 In & Under	3,495.41		3,495.41
360.62	Plastic - 6 In - 8 In	25,403.29		25,403.29
360.63	Plastic - 10 In - 16 In	204.73		204.73
360.64	Plastic - 18 In & Over	2,397.63		2,397.63
360.71	Valves - 4 In & Under	13,872.70		13,872.70
360.73	Valves - 10 In - 16 In	8,641.07		8,641.07
360.75	Valve Boxes	458.61		458.61
360.80	Manholes & Cleanouts	61,669.41		61,669.41
	Total Force Sewers	636,506.00	0.00	636,506.00
	Sewers-Gravity			
361.00	Unidentified	3,044,019.06		3,044,019.06
361.12	Cast & Ductile Iron - 6 In - 8 In	450,675.71		450,675.71
361.13	Cast & Ductile Iron - 10 In - 16 In	285,797.41		285,797.41
361.14	Cast & Ductile Iron - 18 In & Over	44,610.07		44,610.07
361.22	Asbestos Cement - 6 In - 8 In	609,216.06		609,216.06
361.23	Asbestos Cement - 10 In - 16 In	410,459.05		410,459.05
361.24	Asbestos Cement - 18 In & Over	351,067.91		351,067.91
361.32	Steel - 6 In - 8 In	2,109.42		2,109.42
361.33	Steel - 10 In - 16 In	10,241.73		10,241.73
361.34	Steel - 18 In & Over	11,060.81		11,060.81
361.42	Concrete - 6 In - 8 In	96.58		96.58
361.43	Concrete - 10 In - 16 In	8,417.41		8,417.41
361.44	Concrete - 18 In & Over	195,193.82		195,193.82
361.52	Vitrified Clay - 6 In - 8 In	1,078,356.54		1,078,356.54
361.53	Vitrified Clay - 10 In - 16 In	416,113.82		416,113.82
361.54	Vitrified Clay - 18 In & Over	293,113.70		293,113.70
361.61	Plastic - 4 In & Under	5,145.91		5,145.91
361.62	Plastic - 6 In - 8 In	1,981,997.96		1,981,997.96
361.63	Plastic - 10 In - 16 In	844,733.09		844,733.09
361.64	Plastic - 18 In & Over	261,829.75		261,829.75

Table 4

ILLINOIS AMERICAN
All Wastewater Districts

Summary of Depreciation Reserve Related to Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Depreciation Reserve Per Depreciation Study

Acct. No. (a)	Account Description (b)	Depreciation Reserve Per Books 12-31-05 (c)	Adjustments (h)	Depreciation Reserve Per Depr. Study 12-31-05 (i)
361.72	Valves - 6 In - 8 In	260.60		260.60
361.76	Drop Connections/Junctions	38,676.35		38,676.35
361.77	Special Construction	26,380.10		26,380.10
361.80	Manholes & Cleanouts	3,181,967.25		3,181,967.25
361.82	Crossings - 6 In - 8 In	9,955.72		9,955.72
361.83	Crossings - 10 In - 16 In	56,426.76		56,426.76
361.84	Crossings - 18 In & Over	136,508.69		136,508.69
361.91	All Materials - 4 In & Under	3,675.67		3,675.67
361.92	All Materials - 6 In - 8 In	205,180.50		205,180.50
361.93	All Materials - 10 In - 16 In	16,332.53		16,332.53
	Total Gravity Sewers	13,979,620.00	0.00	13,979,620.00
363.00	WW Services	2,715,358.00		2,715,358.00
	Total Collection Plant	19,942,759.00	0.00	19,942,759.00
	Pumping Equipment			
354.30	Structures & Improv-Pumping Plant	65.00		65.00
371.10	Electric Pumping Equipment	54,133.24		54,133.24
371.20	Other Pumping Equipment	56,219.76		56,219.76
	Total Pumping Equipment	110,418.00	0.00	110,418.00
	Treatment & Disposal Equipment			
354.40	Structures & Improv-Treatment & Disposal Plant	3,698,886.00		3,698,886.00
380.00	Treatment & Disposal Equipment	34,606.87		34,606.87
380.05	Grit Removal	123,649.28		123,649.28
380.10	Sedimentation Tanks	1,739,294.11		1,739,294.11
380.25	Sludge Digester Tanks	1,019.73		1,019.73
380.30	Sludge Drying Equipment	1,091,875.86		1,091,875.86
380.35	Secondary Treatment	970,186.99		970,186.99
380.40	Auxiliary Effluent Treatment	437,004.88		437,004.88
380.50	Chemical Treatment	320,870.82		320,870.82
380.60	Other Disposal Equipment	392,294.37		392,294.37
380.65	Influent Liftstations	508,743.09		508,743.09
382.00	Outfall Sewer Lines	317,597.00		317,597.00
389.20	Other Plant & Misc Equipment	8,882.00		8,882.00
	Total Treat & Disposal Equip	9,644,911.00	0.00	9,644,911.00
	General Plant			
354.50	WW Structures & Improvements	13,664.00		13,664.00
390.00	WW Office Furniture & Equipment	28,634.00		28,634.00
391.00	Transportation Equipment	118,794.00		118,794.00
392.00	Stores Equipment	4,690.00		4,690.00
393.00	Tools, Shop & Garage Equipment	48,827.00		48,827.00
394.00	Laboratory	41,753.00		41,753.00
395.00	Power Operated Equipment	66,138.00		66,138.00
396.00	Communication Equipment	18,365.00		18,365.00
397.00	Miscellaneous Equipment	10,419.00		10,419.00
	Total General Plant	351,284.00	0.00	351,284.00
	TOTAL DEPRECIABLE PLANT	30,049,372.00	0.00	30,049,372.00

Table 4

ILLINOIS AMERICAN
All Wastewater Districts

Summary of Depreciation Reserve Related to Utility Plant in Service as of December 31, 2005
Per Books, Adjustments, and Adjusted Depreciation Reserve Per Depreciation Study

Acct. No. (a)	Account Description (b)	Depreciation Reserve Per Books 12-31-05 (c)	Adjustments (h)	Depreciation Reserve Per Depr. Study 12-31-05 (i)
	NON-DEPRECIABLE PLANT			
351.00	Organization	0.00		0.00
352.00	Franchises	-22,708.00		-22,708.00
353.00	Land & Land Rights	-43,325.00		-43,325.00
389.10	Other Plant & Misc Equipment	172,184.00		172,184.00
	TOTAL NON-DEPRECIABLE PLANT	106,151.00	0.00	106,151.00
	TOTAL PLANT IN SERVICE	30,155,523.00	0.00	30,155,523.00

Table 5

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant In Service For Selected Accounts as of December 31, 2005 And Allocation of Book Depr Reserve Over Theoretical Depreciation Reserve as of December 31, 2005

Acct. No. (a)	Account Description (b)	Original Cost 12-31-05 (c)	A.S.L./ Survivor Curve (d)	Salvage % (e)	Theoretical Depreciation Reserve (f)	Allocated Book Depr Reserve 12-31-05 (g)
	DEPRECIABLE PLANT					
	Sewers-Force					
360.00	Unidentified	360,811.78	75-R3	-40%	68,785.58	40,617.48
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	50-R3	-40%	27,149.98	16,031.90
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	75-R3	-40%	122,981.21	72,619.68
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	75-R3	-40%	107,028.73	63,199.83
360.14	Cast & Ductile Iron - 18 In & Over	93,892.00	85-R3	-40%	50,193.31	29,638.85
360.21	Asbestos Cement - 4 In & Under	115.00	35-R3	-40%	141.43	83.51
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	65-R3	-40%	22,172.57	13,092.77
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	65-R3	-40%	154,743.14	91,374.91
360.24	Asbestos Cement - 18 In & Over	629,145.26	75-R3	-40%	314,114.47	185,482.74
360.34	Steel - 18 In & Over	24,523.00	75-R3	-40%	13,923.04	8,221.47
360.61	Plastic - 4 In & Under	39,918.01	60-R3	-40%	5,919.46	3,495.41
360.62	Plastic - 6 In - 8 In	319,794.28	65-R3	-40%	43,020.39	25,403.29
360.63	Plastic - 10 In - 16 In	1,738.82	65-R3	-40%	346.71	204.73
360.64	Plastic - 18 In & Over	70,534.00	75-R3	-40%	4,060.38	2,397.63
360.71	Valves - 4 In & Under	52,244.07	35-R3	-40%	23,493.37	13,872.70
360.73	Valves - 10 In - 16 In	31,277.11	45-R3	-40%	14,633.63	8,641.07
360.75	Valve Boxes	1,694.47	45-R3	-40%	776.66	458.61
360.80	Manholes & Cleanouts	1,106,130.89	45-R3	-40%	104,436.97	61,669.41
	Total Force Sewers	3,904,484.89			1,077,921.03	636,506.00
	Sewers-Gravity					
361.00	Unidentified	7,862,842.46	75-R3	-40%	3,865,861.58	3,044,019.06
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	75-R3	-40%	572,351.84	450,675.71
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	75-R3	-40%	362,958.71	285,797.41
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	85-R3	-40%	56,654.17	44,610.07
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	65-R3	-40%	773,695.87	609,216.06
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	65-R3	-40%	521,277.25	410,459.05
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	75-R3	-40%	445,851.33	351,067.91
361.32	Steel - 6 In - 8 In	3,839.00	45-R3	-40%	2,678.94	2,109.42
361.33	Steel - 10 In - 16 In	27,280.00	70-R3	-40%	13,006.85	10,241.73
361.34	Steel - 18 In & Over	23,445.00	75-R3	-40%	14,047.08	11,060.81
361.42	Concrete - 6 In - 8 In	1,032.05	75-R3	-40%	122.65	96.58
361.43	Concrete - 10 In - 16 In	13,589.09	75-R3	-40%	10,689.99	8,417.41
361.44	Concrete - 18 In & Over	530,839.68	85-R3	-40%	247,893.42	195,193.82
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	75-R3	-40%	1,369,497.71	1,078,356.54
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	75-R3	-40%	528,458.73	416,113.82
361.54	Vitrified Clay - 18 In & Over	671,156.00	85-R3	-40%	372,250.29	293,113.70
361.61	Plastic - 4 In & Under	19,832.97	60-R3	-40%	6,535.23	5,145.91

Table 5

Illinois-American Water Company
All Wastewater Districts

Summary of Original Cost of Utility Plant In Service For Selected Accounts as of December 31, 2005 And Allocation of Book Depr Reserve Over Theoretical Depreciation Reserve as of December 31, 2005

Acct. No.	Account Description	Original Cost 12-31-05	A.S.L./ Survivor Curve	Salvage %	Theoretical Depreciation Reserve	Allocated Book Depr Reserve 12-31-05
(a)	(b)	(c)	(d)	(e)	(f)	(g)
361.62	Plastic - 6 In - 8 In	9,007,184.78	65-R3	-40%	2,517,109.66	1,981,997.96
361.63	Plastic - 10 In - 16 In	3,664,716.15	65-R3	-40%	1,072,799.20	844,733.09
361.64	Plastic - 18 In & Over	1,837,073.96	75-R3	-40%	332,520.11	261,829.75
361.72	Valves - 6 In - 8 In	533.00	45-R3	-40%	330.96	260.60
361.76	Drop Connections/Junctions	66,285.69	45-R3	-40%	49,118.42	38,676.35
361.77	Special Construction	87,599.52	60-R3	-40%	33,502.36	26,380.10
361.80	Manholes & Cleanouts	9,079,358.96	45-R3	-40%	4,041,053.85	3,181,967.25
361.82	Crossings - 6 In - 8 In	25,978.00	75-R3	-40%	12,643.63	9,955.72
361.83	Crossings - 10 In - 16 In	193,910.95	75-R3	-40%	71,661.19	56,426.76
361.84	Crossings - 18 In & Over	647,485.16	85-R3	-40%	173,364.12	136,508.69
361.91	All Materials - 4 In & Under	91,684.40	65-R3	-40%	4,668.05	3,675.67
361.92	All Materials - 6 In - 8 In	3,862,353.96	65-R3	-40%	260,576.36	205,180.50
361.93	All Materials - 10 In - 16 In	359,521.20	65-R3	-40%	20,742.09	16,332.53
	Total Gravity Sewers	48,889,189.73			17,753,921.64	13,979,620.00
	Pumping Equipment					
354.30	Structures & Improv-Pumping Plant	14,409.82	40-R2	-10%		
371.10	Electric Pumping Equipment	545,702.94	25-R2	-30%	58,859.26	54,133.24
371.20	Other Pumping Equipment	195,293.76	25-R2	-30%	61,127.93	56,219.76
	Total Pumping Equipment	755,406.52			119,987.19	
	Treatment & Disposal Equipment					
354.40	Structures & Improv-Treatment & Disposal	1,743,644.57	30-R2.5	-20%		
380.00	Treatment & Disposal Equipment	373,928.53	20-R2.5	-25%	55,955.72	34,606.87
380.05	Grit Removal	411,339.03	15-R3	-25%	199,928.06	123,649.28
380.10	Sedimentation Tanks	4,667,723.09	20-R3	-25%	2,812,258.13	1,739,294.11
380.25	Sludge Digester Tanks	5,856.87	15-R3	-25%	1,648.79	1,019.73
380.30	Sludge Drying Equipment	1,640,327.87	15-R3	-25%	1,765,449.98	1,091,875.86
380.35	Secondary Treatment	1,821,496.39	20-R2.5	-25%	1,568,691.71	970,186.99
380.40	Auxiliary Effluent Treatment	1,743,644.57	20-R2.5	-25%	706,591.55	437,004.88
380.50	Chemical Treatment	654,636.09	10-R3	-25%	518,814.83	320,870.82
380.60	Other Disposal Equipment	733,837.36	20-R2.5	-25%	634,299.29	392,294.37
380.65	Influent Liftstations	1,944,980.64	20-R2.5	-25%	822,584.80	508,743.09
382.00	Outfall Sewer Lines	900,797.38	75-R3	-25%		
389.20	Other Plant & Misc Equipment	0.00		0%		
	Total Treat & Disposal Equip	16,642,212.39				
					9,086,222.86	

Illinois-American Water Company
All Wastewater Districts

Table 6

Summary of Original Cost of Utility Plant in Service as of December 31, 2005 and Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12-31-05 (c)	Present Parameters: Net Salvage W/ COR % (d)	Present Parameters: Net Salvage Gross Salv % (e)	Present Parameters: Net Salvage Gross COR % (f)	Present Parameters: A.S.L./ Survivor Curve (g)	Present Parameters: Average Remain. Life (h)	Present Parameters: Depr Rate	Proposed Parameters: Net Salvage W/ COR % (i)	Proposed Parameters: Net Salvage Gross Salv % (j)	Proposed Parameters: Net Salvage Gross COR % (k)	Proposed Parameters: A.S.L./ Survivor Curve (in	Proposed Parameters: Average Remaining Life (o)
	DEPRECIABLE PLANT												
	Collection Plant												
354.20	Structures & Improvements - Collection	4,711,540.90	Unk.	0%	Unk.	Unk.		2.26%	-10%	0%	-10%	40-R2	28.2
	Sewers-Force												
360.00	Unidentified	360,811.78	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	64.8
360.11	Cast & Ductile Iron - 4 In & Under	58,256.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	50-R3	33.4
360.12	Cast & Ductile Iron - 6 In - 8 In	393,222.13	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	58.3
360.13	Cast & Ductile Iron - 10 In - 16 In	468,281.16	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	62.8
360.14	Cast & Ductile Iron - 18 In & Over	93,692.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	85-R3	52.5
360.21	Asbestos Cement - 4 In & Under	115.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	35-R3	4.3
360.22	Asbestos Cement - 6 In - 8 In	36,605.91	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	65-R3	36.9
360.23	Asbestos Cement - 10 In - 16 In	216,301.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	65-R3	31.8
360.24	Asbestos Cement - 18 In & Over	629,145.26	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	48.3
360.34	Steel - 18 In & Over	24,523.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	44.6
360.61	Plastic - 4 In & Under	39,918.01	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	60-R3	53.6
360.62	Plastic - 6 In - 8 In	319,794.28	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	65-R3	58.8
360.63	Plastic - 10 In - 16 In	1,738.82	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	65-R3	55.7
360.64	Plastic - 18 In & Over	70,534.00	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	75-R3	44.6
360.71	Valves - 4 In & Under	52,244.07	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	35-R3	23.8
360.73	Valves - 10 In - 16 In	31,277.11	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	45-R3	30.0
360.75	Valve Boxes	1,694.47	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	45-R3	30.3
360.80	Manholes & Cleanouts	1,106,130.89	Unk.	0%	Unk.	Unk.		3.29%	-40%	0%	-40%	45-R3	42.0
	Total Force Sewers	3,904,484.89											
	Sewers-Gravity												
361.00	Unidentified	7,862,642.46	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	48.7
361.12	Cast & Ductile Iron - 6 In - 8 In	2,180,197.92	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	60.9
361.13	Cast & Ductile Iron - 10 In - 16 In	1,429,225.75	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	61.4
361.14	Cast & Ductile Iron - 18 In & Over	237,122.44	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	85-R3	70.5
361.22	Asbestos Cement - 6 In - 8 In	1,426,185.04	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	39.8
361.23	Asbestos Cement - 10 In - 16 In	917,697.12	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	38.6
361.24	Asbestos Cement - 18 In & Over	1,167,714.84	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	54.6
361.32	Steel - 6 In - 8 In	3,839.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	45-R3	22.6
361.33	Steel - 10 In - 16 In	27,280.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	70-R3	46.2
361.34	Steel - 18 In & Over	23,445.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	42.9
361.42	Concrete - 6 In - 8 In	1,032.05	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	68.6
361.43	Concrete - 10 In - 16 In	13,589.09	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	32.9
361.44	Concrete - 18 In & Over	530,839.68	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	85-R3	58.7
361.52	Vitrified Clay - 6 In - 8 In	2,534,101.46	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	46.1
361.53	Vitrified Clay - 10 In - 16 In	919,603.18	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	44.2
361.54	Vitrified Clay - 18 In & Over	671,156.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	85-R3	51.3
361.61	Plastic - 4 In & Under	19,832.97	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	60-R3	45.9
361.62	Plastic - 6 In - 8 In	9,007,184.78	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	52.0
361.63	Plastic - 10 In - 16 In	3,664,716.15	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	51.4
361.64	Plastic - 18 In & Over	1,837,073.96	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	65.3
361.72	Valves - 6 In - 8 In	533.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	45-R3	25.0

Illinois-American Water Company
All Wastewater Districts

Table 6

Summary of Original Cost of Utility Plant in Service as of December 31, 2005 and Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12-31-05 (c)	Present Parameters: Net Salvage W/ COR % (d)	Present: Net Salvage Gross Salv % (e)	Present: Net Salvage Gross COR % (f)	Present: A.S.L./ Survivor Curve (g)	Present: Average Remain. Life (h)	Present: Depr Rate	Proposed Parameters: Net Salvage W/ COR % (i)	Proposed: Net Salvage Gross Salv % (j)	Proposed: Net Salvage Gross COR % (k)	Proposed: A.S.L./ Survivor Curve (in	Proposed: Average Remaining Life (o)
361.76	Drop Connections/Junctions	66,285.69	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	45-R3	21.2
361.77	Special Construction	87,599.52	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	60-R3	43.6
361.80	Manholes & Cleanouts	9,079,358.96	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	45-R3	30.7
361.82	Crossings - 6 In - 8 In	25,978.00	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	48.9
361.83	Crossings - 10 In - 16 In	193,910.95	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	75-R3	55.2
361.84	Crossings - 18 In & Over	647,485.16	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	85-R3	68.7
361.91	All Materials - 4 In & Under	91,684.40	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	62.6
361.92	All Materials - 6 In - 8 In	3,862,353.96	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	61.9
361.93	All Materials - 10 In - 16 In	359,521.20	Unk.	0%	Unk.	Unk.		3.33%	-40%	0%	-40%	65-R3	62.3
	Total Gravity Sewers	48,889,189.73											
363.00	Services To Customers	8,382,150.72	Unk.	0%	Unk.	Unk.		3.46%	-125%	0%	-125%	55-R3	38.9
	Total Collection Plant	65,887,366.24											
	Pumping Equipment												
354.30	Structures & Improv-Pumping Plant	14,409.82	Unk.	0%	Unk.	Unk.		5.74%	-10%	0%	-10%	40-R2	37.4
371.10	Electric Pumping Equipment	545,702.94	Unk.	0%	Unk.	Unk.		5.17%	-30%	0%	-30%	25-R2	22.8
371.20	Other Pumping Equipment	195,293.76	Unk.	0%	Unk.	Unk.		5.17%	-30%	0%	-30%	25-R2	18.7
	Total Pumping Equipment	755,406.52											
	Treatment & Disposal Equipment												
354.40	Structures & Improv-Treatment & Disposal Plant	12,732,787.91	Unk.	0%	Unk.	Unk.		5.74%	-20%	0%	-20%	30-R2.5	18.3
380.00	Treatment & Disposal Equipment	373,928.53	Unk.	0%	Unk.	Unk.		3.92%	-25%	0%	-25%	20-R2.5	17.6
380.05	Grit Removal	411,339.03	Unk.	0%	Unk.	Unk.		3.92%	-25%	0%	-25%	15-R3	9.3
380.10	Sedimentation Tanks	4,667,723.09	Unk.	0%	Unk.	Unk.		6.65%	-25%	0%	-25%	20-R3	10.4
380.25	Sludge Digester Tanks	5,856.87	Unk.	0%	Unk.	Unk.		4.34%	-25%	0%	-25%	15-R3	11.6
380.30	Sludge Drying Equipment	1,640,327.87	Unk.	0%	Unk.	Unk.		5.23%	-25%	0%	-25%	15-R3	3.7
380.35	Secondary Treatment	1,821,496.39	Unk.	0%	Unk.	Unk.		3.60%	-25%	0%	-25%	20-R2.5	6.7
380.40	Auxiliary Effluent Treatment	1,743,644.57	Unk.	0%	Unk.	Unk.		5.30%	-25%	0%	-25%	20-R2.5	13.5
380.50	Chemical Treatment	654,636.09	Unk.	0%	Unk.	Unk.		3.33%	-25%	0%	-25%	10-R3	3.7
380.60	Other Disposal Equipment	733,837.36	Unk.	0%	Unk.	Unk.		2.82%	-25%	0%	-25%	20-R2.5	6.3
380.65	Influent Liftstations	1,944,980.64	Unk.	0%	Unk.	Unk.		2.95%	-25%	0%	-25%	20-R2.5	13.4
382.00	Outfall Sewer Lines	900,797.38	Unk.	0%	Unk.	Unk.		4.34%	-25%	0%	-25%	75-R3	54.1
389.20	Other Plant & Misc Equipment	0.00	Unk.	0%	Unk.	Unk.		2.26%	0%	0%	0%		0.0
	Total Treat & Disposal Equip	27,631,355.73											
	General Plant												
354.50	Structures & Improv-General	2,493,929.91	Unk.	0%	Unk.	Unk.		4.31%	0%	0%	0%	35-R2	32.2
390.00	Office Furniture & Equipment	142,494.85	Unk.	0%	Unk.	Unk.		3.67%	0%	0%	0%	12-R2	5.5
391.00	Transportation Equipment	111,607.76	Unk.	0%	Unk.	Unk.		25.00%	15%	15%	0%	8-R3	3.9
392.00	Stores Equipment	10,989.08	Unk.	0%	Unk.	Unk.		5.80%	0%	0%	0%	20-R3	10.2
393.00	Tools, Shop & Garage Equipment	199,653.07	Unk.	0%	Unk.	Unk.		4.22%	0%	0%	0%	25-L1.5	15.7
394.00	Laboratory	119,450.60	Unk.	0%	Unk.	Unk.		5.80%	0%	0%	0%	18-R3	8.7
395.00	Power Operated Equipment	243,316.64	Unk.	0%	Unk.	Unk.		6.20%	20%	20%	0%	10-R3	3.2
396.00	Communication Equipment	135,597.47	Unk.	0%	Unk.	Unk.		4.37%	0%	0%	0%	15-R3	11.2
397.00	Miscellaneous Equipment	68,890.90	Unk.	0%	Unk.	Unk.		3.78%	0%	0%	0%	15-R4	8.8
	Total General Plant	3,525,930.28											
	TOTAL DEPRECIABLE PLANT	97,800,058.77											

Exhibit 9.02

Illinois-American Water Company
All Wastewater Districts

Table 6

Summary of Original Cost of Utility Plant in Service
as of December 31, 2005 and
Present and Proposed Parameters

Account No. (a)	Description (b)	Original Cost 12-31-05 (c)	Present Parameters: Net Salvage W/ COR % (d)	Present Parameters: Net Salvage Gross Salv % (e)	Present Parameters: Net Salvage Gross COR % (f)	Present Parameters: A.S.L./ Survivor Curve (g)	Present Parameters: Average Remain. Life (h)	Present Parameters: Depr Rate	Proposed Parameters: Net Salvage W/ COR % (i)	Proposed Parameters: Net Salvage Gross Salv % (j)	Proposed Parameters: Net Salvage Gross COR % (k)	Proposed Parameters: A.S.L./ Survivor Curve (m)	Proposed Parameters: Average Remaining Life (o)
	NON-DEPRECIABLE PLANT												
351.00	Organization	361,048.00											
352.00	Franchises	581,059.32											
353.00	Land & Land Rights	310,554.74											
389.10	Other Plant & Misc Equipment	397,609.63											
	TOTAL NON-DEPRECIABLE PLANT	1,650,271.69											
	TOTAL PLANT IN SERVICE	99,450,330.46											
	(1) Implicit ASL												

Exhibit 9.02

SECTION 3

ILLINOIS AMERICAN WATER COMPANY

All Wastewater Divisions

General

This report sets forth the results of our study of the depreciable property of Illinois American Water Company wastewater divisions (the "Company") as of December 31, 2005 and contains the basic parameters (recommended average service lives and life characteristics) for the proposed average remaining life depreciation rates. All average service lives set forth in this report are developed based upon plant in service as of December 31, 2005.

The scope of the study included an analysis of the Company's historical data through December 31, 2005, discussions with Company management and staff to identify prior and prospective factors affecting the Company's plant in service, as well as interpretation of past service life data experience and future life expectancies to determine the appropriate average service lives of the Company's surviving plant. The service lives and life characteristics resulting from the in-depth study were utilized together with the Company's plant in service and book depreciation reserve to determine the recommended Average Remaining Life (ARL) depreciation rates related to the Company's plant in service as of December 31, 2005.

In preparing the study, the Company's historical investment data were studied using various service life analysis techniques. Further, discussions were held with the Company's management to obtain an overview of the Company's facilities and to discuss the general scope of operations together with other factors which could have a bearing on

the service lives of the Company's property. Finally, the study results were tempered by information gathered during plant inspection tours of a representative portion of the Company's property.

The Company maintains property records containing a summary of its fixed capital investments by property account. This investment data was analyzed and summarized by property group and/or sub group and vintage then utilized as a basis for the various depreciation calculations.

Depreciation Study Overview

There are numerous methods utilized to recover property investment depending upon the goal. For example, accelerated methods such as double declining balance and sum of years digits are methods used in tax accounting to motivate additional investments. Broad Group (BG) and Equal Life Group (ELG) are both Straight Line Grouping Procedures recognized and utilized by various regulatory jurisdictions depending upon the policy of the specific agency.

The Straight Line Group Method of depreciation utilized in this study to develop the recommended depreciation rates is the Broad Group Procedure together with the Average Remaining Life Technique. The use of this procedure and technique is based upon recovering the net book cost (original cost less book reserve) of the surviving plant in service over its estimated remaining useful life. Any variance between the book reserve and an implied theoretical calculated reserve is compensated for under this procedure. That is, as the Company's book reserve increases above or declines below the theoretical reserve at a specific point in time, the Company's average remaining life depreciation rate in subsequent years will be increased or decreased to compensate for the variance,

thereby, assuring full recovery of the Company's investment by the end of the property's life.

The Company, like any other business, includes as an annual operating expense an amount which reflects a portion of the capital investment which was consumed in providing service during the accounting period. The annual depreciation amount to be recognized is based upon the remaining productive life over which the undepreciated capital investment needs to be recovered. The determination of the productive remaining life for each property group usually includes an in-depth study of past experience in addition to estimates of future expectations.

Annual Depreciation Accrual

Through the utilization of the Average Remaining Life Technique, the Company will recover the undepreciated fixed capital investment in the appropriate amounts as annual depreciation expense in each year throughout the remaining life of the property. The procedure incorporates the future life expectancy of the property, the vintaged surviving plant in service, and estimated net salvage, together with the book depreciation reserve balance to develop the annual depreciation rate for each property account. Accordingly, the ARL technique meets the objective of providing a straight line recovery of the undepreciated fixed capital property investment.

As indicated, the use of the Average Remaining Life Technique results in charging the appropriate annual depreciation amounts over the remaining life of the property to insure full recovery by the end of the life of the property. The annual expense is calculated on a Straight Line Method rather than by the previously mentioned, "sum of the years digits" or "double declining balance" methods, etc. The "group" refers to the method of

calculating annual depreciation on the summation of the investment in any one depreciable group or plant account rather than calculating depreciation for each individual unit.

Under Broad Group Depreciation some units may be over depreciated and other units may be under depreciated at the time when they are retired from service, but overall, the account is fully depreciated when average service life is attained. By comparison, Equal Life Group depreciation rates are designed to fully accrue the cost of the asset group by the time of retirement. For both the Broad Group and Equal Life Group Procedures the full cost of the investment is credited to plant in service when the retirement occurs and likewise the depreciation reserve is debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption that the retired property was at average service life.

Group Depreciation Procedures

Group depreciation procedures are utilized to depreciate property when more than one item of property is being depreciated. Such a procedure is appropriate because all of the items within a specific group typically do not have identical service lives, but have lives which are dispersed over a range of time. Utilizing a group depreciation procedure allows for a condensed application of depreciation rates to groups of similar property in lieu of extensive depreciation calculations on an item by item basis. The two more common group depreciation procedures are the Broad Group (BG) and Equal Life Group (ELG) approach.

In developing depreciation rates using the Broad Group procedure, the annual depreciation rate is based on the average life of the overall property group, which is then applied to the group's surviving original cost investment. A characteristic of this procedure

is that retirements of individual units occurring prior to average service life will be under depreciated, while individual units retired after average service life will be over depreciated when removed from service, but overall, the group investment will achieve full recovery by the end of the life of the total property group. That is, the under recovery occurring early in the life of the account is balanced by the over recovery occurring subsequent to average service life. In summary, the cost of the investment is complete at the end of the property's life cycle, but the rate of recovery does not match the consumption pattern which was used to provide service to the company's customers.

Under the average service life procedure, the annual depreciation rate is calculated by the following formula:

$$\text{Annual Accrual Rate, Percent} = \frac{100\% - \text{Salvage}}{\text{Average Service Life}} \times 100$$

The application of the broad group procedure to life span groups results in each vintage investment having a different average service life. This circumstance exists because the concurrent retirement of all vintages at the anticipated retirement year results in truncating and, therefore, restricting the life of each successive years vintage investment. An average service life is calculated for each vintage investment in accordance with the above formula. Subsequently, a composite service life and depreciation rate is calculated relative to all vintages within the property group by weighting the life for each vintage by the related surviving vintage investment within the group.

In the Equal Life Group, the property group is subdivided, through the use of plant life tables, into equal life groups. In each equal life group, portions of the overall property group includes that portion which experiences the life of the specific sub-group. The relative size of each sub-group is determined from the overall group life characteristic

(property dispersion curve). This procedure both overcomes the disadvantage of voluminous record requirements of unit depreciation, as well as eliminates the need to base depreciation on overall lives as required under the broad group procedure. The application of this procedure results in each sub-group of the property having a single life. In this procedure, the full cost of short lived units is accrued during their lives leaving no under accruals to be recovered by over accruals on long lived plant. The annual depreciation for the group is the summation of the depreciation accruals based on the service life of each Equal Life Group.

The ELG Procedure is viewed as being the more definitive procedure for identifying the life characteristics of utility property and as a basis for developing service lives and depreciation rates, nevertheless, the Broad Group procedure is more widely utilized throughout the utiity industry by regulatory commissions as a basis for depreciation rates. That is, the ELG Procedure is more definitive because it allocates the capital cost of a group property to annual expense in accordance with the consumption of the property group providing service to customers. In this regard, the company's customers are more appropriately charged with the cost of the property consumed in providing them service during the applicable service period. The more timely return of plant cost is accomplished by fully accruing each unit's cost during its service life, thereby not only reducing the risk of incomplete cost recovery, but also resulting in less return on rate base over the life of a depreciable group. The total depreciation expense over the life of the property is the same for all procedures which allocate the full capital cost to expense, but at any specific point in time, the depreciated original cost is less under the ELG procedure than under the BG procedure. This circumstance exists because under the equal life group procedure, the

rate base is not maintained at a level of greater than the future service value of the surviving plant as is the case when using the average service life procedure. Consequently, the total return required from the ratepayers is less under the ELG procedure.

While the Equal Life Group procedure has been known to depreciation experts for many years, widespread interest in applying the procedure developed only after high speed electronic computers became available to perform the large volume of arithmetic computations required in developing ELG based depreciation lives and rates. The table on the following page illustrates the procedure for calculating equal life group depreciation accrual rates and summarizes the results of the underlying calculations. Depreciation rates are determined for each age interval (one year increment) during the life of a group of property which was installed in a given year or vintage group. The age of the vintage group is shown in column (A) of the ELG table. The percent surviving at the beginning of each age interval is determined from the Iowa 10-R3 survivor curve which is set forth in column (B). The percent retired during each age interval, as shown in column (C), is the difference between the percent surviving at successive age intervals. Accordingly, the percentage amount of the vintage group retired defines the size of each equal life group. For example, during the interval 3 1/2 to 4 1/2, 1.93690 percent of the vintage group is retired at an average age of four years. In this case, the 1.93690 percent of the group experiences an equal life of four years. Likewise, 3.00339 percent is retired during the interval 4 1/2 to 5 1/2 and experiences a service life of five years. Furthermore, 4.42969 percent experiences a six-year life; etc. Calculations are made for each age interval from the zero age interval

Table 7

XYZ UTILITY COMPANY
CALCULATION OF ASL, ARL AND ACCRUED DEPRECIATION FACTORS
BASED UPON AN IOWA 10-R3 CURVE USING THE EQUAL LIFE GROUP (ELG) PROCEDURE

							EQUAL LIFE GROUP PROCEDURE			
AGE AT BEGIN OF INTERVAL	LIFE TABLE BEGIN OF INTERVAL	RETIREMENT DURING INTERVAL	AVERAGE SURVIVING	AGE OF AMOUNT RETIRED	AMOUNT FOR EACH LIFE GROUP	AMOUNT FOR REMAINING LIFE GROUPS	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	ELG/ARL DEPR RATE	ACCRUED DEPR RES FACTOR
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0009198	0.9995401	0.25	0.0009198	0.0683036	8.57	8.57	11.67	0.0000000
0.5	0.9990802	0.0033314	0.9974145	1.0	0.0033314	0.1131019	8.82	8.32	11.34	0.0566975
1.5	0.9957488	0.0066393	0.9924792	2.0	0.0032697	0.1068013	9.04	7.54	11.06	0.1859501
2.5	0.9892095	0.0117037	0.9833577	3.0	0.0039012	0.1062159	9.26	6.76	10.80	0.2700337
3.5	0.9775058	0.0193690	0.9678213	4.0	0.0048422	0.1018442	9.50	6.00	10.52	0.3683062
4.5	0.9581368	0.0300339	0.9431199	5.0	0.0060088	0.0964198	9.78	5.28	10.22	0.4600585
5.5	0.9281029	0.0442969	0.9059546	6.0	0.0073828	0.0897248	10.10	4.60	9.90	0.5447146
6.5	0.8838060	0.0631367	0.8522377	7.0	0.0090195	0.0815237	10.45	3.95	9.57	0.6217794
7.5	0.8206693	0.0876232	0.7768577	8.0	0.0109529	0.0716375	10.86	3.36	9.21	0.6906424
8.5	0.7330461	0.1166879	0.6747022	9.0	0.0129653	0.0596783	11.32	2.82	8.83	0.7505770
9.5	0.6163582	0.1431836	0.5447664	10.0	0.0143184	0.0459365	11.86	2.36	8.43	0.8010714
10.5	0.4731746	0.1533568	0.3964962	11.0	0.0139416	0.0318066	12.47	1.97	8.02	0.8423003
11.5	0.3198178	0.1363216	0.2516570	12.0	0.0113601	0.0191557	13.14	1.64	7.61	0.8753616
12.5	0.1834962	0.0975199	0.1347363	13.0	0.0075015	0.0097249	13.85	1.35	7.22	0.9022159
13.5	0.0859763	0.0559043	0.0580242	14.0	0.0039932	0.0039775	14.59	1.09	6.85	0.9254232
14.5	0.0300720	0.0244398	0.0178621	15.0	0.0016293	0.0011663	15.31	0.81	6.53	0.9473077
15.5	0.0056322	0.0055324	0.0028660	16.0	0.0003458	0.0001788	16.03	0.53	6.24	0.9667657
16.5	0.0000998	0.0000998	0.0000499	17.0	0.0000059	0.0000029	17.00	0.50	5.88	0.9705882
17.5	0.0000000	0.0000000	0.0000000	18.0	0.0000000	0.0000000				
		1.0000000				1.0000000				

through the end of the life of the vintage group. The average service life for each age interval's equal life group is shown in column (E) of the table.

The amount to be accrued annually for each equal life group is equal to the

percentage retired in the equal life group divided by its service life. In as much as additions and retirements are assumed, for calculation purposes, to occur at midyear only one-half of the equal life group's annual accrual is allocated to expense during its first and last years of service life. The accrual amount for the property retired during age interval 0 to .5 must be equal to the amount retired to insure full recovery of that component during that period. The accruals for each equal life group during the age intervals of the vintage group's life cycle are shown in column (F). The total accrual for a given year is the summation of the equal life group accruals for that year. For example, the total accrual for the second year, as shown in column (G), is 11.31019 percent and is the sum of all succeeding years remaining equal life group accruals plus one half of the current years life group accrual listed in column (F). For the zero age interval year, the total accrual is equal to one half of the sum of all succeeding years remaining equal life accruals plus the amount for the zero interval equal life group accrual. The one half year accrual for the zero age interval is consistent with the half year convention relative to property during its installation year. The sum of the annual accruals for each age interval contained in column (G) total to 1.000 demonstrating that the developed rates will recover 100% of plant no more and no less. The annual accrual rate which will result in the accrual amount is the ratio of the accrual amount (11.31019 percent) to the average percent surviving during the interval, column (D), (99.74145 percent), which is a rate of 11.34% (column J). Column (J) contains a summary of the accrual rates for each age interval of the property groups life cycle based upon an Iowa 10-R3 survivor curve.

Remaining Life Technique

In the Average Remaining Life depreciation technique, the annual accrual is calculated according to the following formula where, (A) the annual depreciation for each

group equals, (D) the depreciable cost of plant less (U) the accumulated provision for depreciation less (S) the estimated future net salvage, divided by (R) the composite remaining life of the group:

$$A = \frac{D - U - S}{R}$$

The annual accrual rate (a) is expressed as a percentage of the depreciable plant balance by dividing the equation by (D) the depreciable cost of plant times 100:

$$(a) = \frac{D - U - S}{R} \times \frac{1}{D} \times 100$$

As further indicated by the equation, the accumulated provision for depreciation by vintage is required in order to calculate the remaining life depreciation rate for each property group. In practice, most often such detail is not available; therefore, composite remaining lives are determined for each depreciable group, (i.e., property account).

The remaining life for a depreciable group is calculated by first determining the remaining life for each vintage year in which there is surviving investment. This is accomplished by solving the area under the survivor curve selected to represent the average life and life characteristic of the property account. The remaining life for each vintage is determined by dividing (D) the depreciable cost of each vintage, by (L) its average service life, and multiplying this ratio by its average remaining life (E). The composite remaining life of the group (R) equals the sums of products divided by the sum of the quotients:

$$R\ Group = \frac{\sum D/L \times E}{\sum D/L}$$

The functional level accumulated provision for depreciation, which was the basis for developing the composite average remaining life accrual and annual depreciation rate for each property account as per this report, was obtained from the Company's books and

records. The functional level depreciation reserve was further allocated to each property account and sub-account based upon a detailed theoretical depreciation reserve calculation as of December 31, 2004.

Salvage

Net salvage is the difference between gross salvage, or what is received when an asset is disposed of, and the cost of removing it from service. Salvage experience is normally included with the depreciation rate so that current accounting periods reflect a proportional share of the ultimate abandonment and removal cost or salvage received at the end of the property service life. Net salvage is said to be positive if gross salvage exceeds the cost of removal, but if cost of removal exceeds gross salvage the result is then negative salvage.

The cost of removal includes such costs as demolishing, dismantling, tearing down, disconnecting or otherwise removing plant, as well as normal environmental clean up costs associated with the property. Salvage includes proceeds received for the sale of plant and materials or the return of equipment to stores for reuse.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment.

Many retired assets generate little, if any, positive salvage. Instead, many of the Company's asset property groups generate negative net salvage at end of their life as a result of the cost of removal (retirement).

The method used to estimate the retirement cost is a standard analysis approach

which is used to identify a company's historical experience with regard to what the end of life cost will be relative to the cost of the plant when first placed into service. This information, along with knowledge about the average age of the historical retirements that have occurred to date, enables the depreciation professional to estimate the level of retirement cost that will be experienced by the Company at the end of each property group's useful life. The study methodology utilized has been extensively set forth in depreciation textbooks and has been the accepted practice by depreciation professionals for many decades. Furthermore, the cost of removal analysis approach is the current standard practice used for mass assets by essentially all depreciation professionals in estimating future net salvage for the purpose of identifying the applicable depreciation for a property group. There is a direct relationship to the installation of specific plant in service and its corresponding removal in that the installation is its beginning of life cost while the removal is its end of life cost. Also, it is important to note that average remaining life based depreciation rates incorporate future net salvage which is routinely more representative of recent versus long-term past average net salvage.

The Company's historical net salvage experience was analyzed to identify the historical net salvage factor for each applicable property group. This analysis routinely identifies that historical retirements have occurred at average ages significantly prior to the property group's average service life. This occurrence of historical retirements, at an age which is significantly younger than the average service life of the property category, clearly demonstrates that the historical data does not appropriately recognize the true level of retirement cost at the end of the property's useful life. An additional level of cost to retire will occur due to the passage of time until all the current in service plant is retired at end of life. That is, the level of retirement costs will increase over time until the average service

life is attained. The estimated additional inflation, within the estimate of retirement cost, is related to those additional year's cost increases (primarily higher labor costs over time) that will occur prior to the end of the property group's average life.

To provide an additional explanation of the issue, several general principles surrounding property retirements and related net salvage need to be highlighted. Those are that as property continues to age, the retirement of assets, if generating positive salvage when retired, will typically generate a lower percent of positive salvage. By comparison, if the class of property is one that typically generates negative net salvage (cost of removal), with increasing age at retirement the negative percentage as related to original cost will typically be greater. This situation is routinely driven by the higher labor cost with the passage of time.

Next, a simple example will aid in a better understanding of the above discussed net salvage analysis and the required adjustment to the historical analysis results. Assume the following scenario. A company has two (2) cars, Car #1 and Car #2, each purchased for $20,000. Car #1 is retired after 2 years and Car #2, is retired after 10 years. Accordingly, the average life of the two cars is six (6) years (2 Yrs. Plus 10 Yrs./2). Car #1 generates 75% salvage or $15,000 when retired and Car #2 generates 5% salvage or $1,000 when retired.

Unit	Cost	Ret. Age (Yrs)	% Salv.	Salvage Amount
Car # 1	$20,000	2	75%	$15,000
Car # 2	20,000	10	5%	1,000
Total	40,000	6	40%	16,000

Assume an analysis of the experienced net salvage at year three (3). Based upon the Car #1 retirement, which was retired at a young age (2 Yrs.) as compared to the

average six (6) year life of the property group, the analysis indicates that the property group would generate 75% salvage. This analysis indication is incorrect and is the result of basing the estimate on incomplete data. That is, the estimate is based upon the salvage generated from a retirement that occurred at an age which is far less than the average service life of the property group. The actual total net salvage, that occurred over the average life of the assets (which experienced a six (6) year average life for the property group) is 40% as opposed to the initial incorrect estimate of 75%.

This is exactly the situation with the majority of the Company's historical net salvage data except that most of the Company's plant property groups routinely experience negative net salvage (cost of removal) as opposed to positive salvage.

The total end of life net salvage amount must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired plant.

With regard to location type properties (e.g. generation facilities, etc.) a company will routinely experience both interim and terminal net salvage. Interim net salvage occurs in conjunction with interim retirements that occur throughout the life of the asset group. This net salvage activity (routinely and largely cost of removal) is attributable to the removal of components within the Company's facilities to enable the placement of a new asset component. Interim net salvage is routinely negative given the care required in removing the defective component so as not to damage the remaining plant in service. Interim net salvage is applicable to the estimated interim retirement assets.

The terminal net salvage component is attributable to the end of life costs incurred

(less any gross salvage received) to disconnect, remove, demolish and/or dispose of the operating asset. Terminal net salvage is attributable to those assets remaining in service subsequent to the occurrence of interim retirements.

The total net salvage incorporated into the depreciation rate for location type plant account investments is the sum of interim and terminal net salvage. Both of the items must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired facility.

Service Lives

Several factors contribute to the length of time or average service life which the property achieves. The three (3) major categories under which these factors fall are: (1) physical; (2) functional, and; (3) contingent casualties.

The physical category includes such things as deterioration, wear and tear and the action of the natural elements. The functional category includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute of superior performance. The remaining factor of contingent casualties relates to retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances which may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each property

investment.

Survivor Curves

The preparation of a depreciation study or theoretical depreciation reserve typically incorporates smooth curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves generally used are the family of curves developed at Iowa State University which are widely used and accepted throughout the utility industry.

The shape of the curves within the Iowa family are dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if occurring at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

Many times, actual Company data has not completed its life cycle, therefore, the survivor table generated from the Company data is not extended to zero percent surviving. This situation requires an estimate be made with regard to the remaining segment of the property group's life experience. Furthermore, actual Company experience is often erratic, making its utilization for average service life estimating difficult. Accordingly, the Iowa curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Study Procedures

Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and analysis of historical retirements, current and future construction, historical experience and future

expectations of salvage and cost of removal as related to plant investment. Service lives are affected by many different factors, some of which can be obtained from studying plant experience, others which may rely heavily on future expectations. When physical aspects are the controlling factor in determining the service life of property, historical experience is a valuable tool in selecting service lives. In the case where changing technology or a less costly alternative develops, then historical experience is of lesser value.

While various methods are available to study historical data, the principal methods utilized to determine average service lives for a Company's property are the Retirement Rate Method, the Simulated Plant Record Method, the Life Span Method, and the Judgement Method.

Retirement Rate Method - The Retirement Rate Method uses actual Company retirement experience to develop a survivor curve (Observed Life Table) which is used to determine the average service life being experienced in the account under study. Computer processing provides the opportunity to review various experience bands throughout the life of the account to observe trends and changes. For each experience band studied, the "observed life table" is constructed based on retirement experience within the band of years. In some cases, the total life of the account has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is this "stub curve" or total life curve, if achieved, which is matched or fitted to a standard Survivor curve. The matching process is performed both by computer analysis, using a least squares technique, and by manually plotting observed life tables to which smooth curves are fitted. The fitted smooth curve provides the basis to determine the average service life of the property group under study.

Simulated Balances Method - In this method of analysis, simulated surviving

balances are determined for each balance included in the test band by multiplying each proceeding year's original gross additions installed by the Company by the appropriate factor of each Standard Survivor Curve, summing the products, and comparing the results with the related year end plant balance to determine the "best fitting" curve and life within the test period. Various test bands are reviewed to determine trends or changes to indicated service lives in various bands of years. By definition, the curve with the "best fit" is the curve which produces simulated plant balances that most closely matches the actual plant balances as determined by the sum of the "least squares". The sum of the "least squares" is arrived at by starting with the difference between the simulated balances and the actual balance for a given year, squaring the difference, and the curve which produces the smallest sum (of squared difference) is judged to be the "best fit".

Period Retirements Method - The application of the Period Retirements Method is similar to the "Simulated Plant Balances" Method, except the procedure utilizes a Standard Survivor Curve and service life to simulate annual retirements instead of balances in performing the "least squares" fitting process during the test period. This procedure does tend to experience wider fluctuations due to the greater variations in level of experienced retirements versus additions and balances thereby producing greater variation in the study results.

Life Span Method - The Life Span or Forecast Method is a method utilized to study various accounts in which the expected retirement dates of specific property or locations can be reasonably estimated. In the Life Span Method, an estimated probable retirement year is determined for each location of the property group. An example of this would be a structure account, in which the various segments of the account are "life spanned" to a probable retirement date which is determined after considering a number of factors, such

as management plans, industry standards, the original construction date, subsequent additions, resultant average age and the current - as well as the overall - expected service life of the property being studied. If, in the past, the property has experienced interim retirements, these are studied to determine an interim retirement rate. Otherwise, interim retirement rate parameters are estimated for properties which are anticipated to experience such retirements. The selected interim service life parameters (Iowa curve and life) are then used with the vintage investment and probable retirement year of the property to determine the average remaining life as of the study date.

The use of the Life Span Method for production facilities together with the inclusion of an interim retirement rate (average service life and Iowa Curve) to define those portions of property at each of the plant sites that will not live the entire life span of the applicable property specifically addresses and correlates to the sub categorization of property group issue as set forth in the FPC Chapter 25-6.03361 entitled "Sub-categorization of Electric Plant for Depreciation Studies and Rate Design". Thus the depreciation calculations, as preformed in the preparation of this depreciation study and proposed depreciation rates, are in accordance with the intent of the Florida PSC rule.

Judgement Method - Standard quantitative methods such as the Retirement Rate Method, Simulated Plant Record Method, etc. are normally utilized to analyze a Company's available historical service life data. The results of the analysis together with information provided by management as well as judgement are utilized in estimating the prospective recommended average service lives. However, there are some circumstances where sufficient retirements have not occurred, or where prospective plans or guidelines are unavailable. In these circumstances, judgement alone is utilized to estimate service lives based upon service lives used by other utilities for this class of plant as well as what is

considered to be a reasonable life for this plant giving consideration to the current age and use of the facilities.