

# JONES DAY

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December 5, 2007

## VIA E-DOCKET

Ms. Elizabeth A. Rolando  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

### **Re: Illinois-American Water Company Docket 07-0507: Proposed General Increase in Water Rates**

Dear Ms. Rolando:

In accordance with the schedule entered in this proceeding on November 8, 2007, attached is Illinois-American Water Company's ("IAWC") update / correction filing.

As explained in the accompanying Supplemental Direct Testimony of Mr. Edward Grubb (IAWC Exhibit 4.00 SUPP), as a result of additional review and analysis, the Company has determined that, for the calendar year 2008, certain updates changes to its business plan year 2008 are warranted. The Company has further determined, however, that these changes should not be deemed material, and therefore the Company has not proposed to adjust the forecast to reflect the changes.

In the course of further review and the preparation of data responses, the Company has also identified certain corrections that should be made to its originally filed Direct Testimony and Exhibits. Revised versions of Mr. Grubb's Direct Testimony, and that of Mr. Alan DeBoy and Ms. Pauline Ahern, are being submitted. Supplemental Direct Testimony of Mr. Earl Robinson is also being submitted. With respect to Mr. Grubb's testimony, the changes correct certain schedule references and the inflation factor applied to certain expenses. With respect to Mr. DeBoy's Direct Testimony, the revisions correct the listings and costs of major projects and clarifies that all property rights have been acquired for the Champaign Plant site. For the convenience of the parties, redlines showing the changes to Mr. Grubb's and Mr. DeBoy's Direct Testimony are being served with this filing.

With respect to Ms. Ahern's Direct Testimony, the revision corrects a minor error on page 27, line 602, where the reference should be to 398 basis points. With respect to the Supplemental Direct Testimony of Mr. Robinson, this testimony reflects minor corrections to IAWC Exhibit 9.01 (Water Depreciation Study).

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The Company has also made certain corrections to the schedules contained in IAWC Exhibits 15.00 through 20.00. The corrections to the schedules are described in Mr. Grubb's Supplemental Direct Testimony, and copies of the corrected schedules are provided in this filing.

In addition, pursuant to leave granted at hearing on November 8, 2007, IAWC is also filing the revised Direct Testimony of Barry Suits (IAWC Exhibit 8.00 (Revised)) at this time.

Very truly yours,

*/s/ Albert D. Sturtevant*

Albert D. Sturtevant

Enclosures

cc: Service List