

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Jurisdictional Operating Income Summary
Period Reported: July 2008 through June 2009

Section 285.3005

Schedule C-1 First Revised

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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00

Total Company

Workpaper Reference: _____

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|-----------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 179,302,908 | \$ (18,456,867) | \$ 160,846,041 | \$ 32,823,003 | \$ 193,669,044 | 1 \$ 195,667,845 |
| 2 | Operation and maintenance expense | 401 | 118,997,079 | (29,685,172) | 89,311,907 | 357,538 | 89,669,445 | |
| 3 | Depreciation and amortization | 403 & 407 | 27,290,463 | 4,260,017 | 31,550,480 | | 31,550,480 | |
| 4 | Taxes other than income taxes | 408 | 10,210,724 | 698,685 | 10,909,409 | | 10,909,409 | |
| 5 | Federal Income Taxes | 409 | 956,215 | 2,482,173 | 3,438,388 | 10,877,827 | 14,316,215 | |
| 6 | State Income Taxes | 409 | 122,285 | 474,212 | 596,497 | 1,385,963 | 1,982,460 | |
| 7 | Total operating expenses | | 157,576,765 | (21,770,084) | 135,806,681 | 12,621,328 | 148,428,009 | |
| 8 | Utility operating income | | \$ 21,726,143 | \$ 3,313,217 | \$ 25,039,360 | \$ 20,201,675 | \$ 45,241,035 | |
| 9 | Original cost rate base | | \$ 549,796,183 | | \$ 549,796,183 | | \$ 549,796,183 | |
| 10 | Rate of return | | 3.95% | | 4.55% | | 8.26% | |

1 Originally filed Operating Revenues As Adjusted Under Proposed Rates in the amount of \$196,262,226 less MEMJAWA revenues (described in IAWC Exhibit No. 4.00 SUPP) in the amount of \$594,381 equals the amount of revenues expected to be generated by the proposed tariffs.

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Exhibit No. 17.00

Southern/Peoria/Streator/Pontiac/South Beloit

Workpaper Reference: _____

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|----------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 93,377,863 | \$ (2,986,021) | \$ 90,391,842 | \$ 17,404,181 | \$ 107,796,023 | 1 \$ 108,468,494 |
| 2 | Operation and maintenance expense | 401 | 59,804,046 | (8,071,331) | 51,732,715 | 189,582 | 51,922,297 | |
| 3 | Depreciation and amortization | 403 & 407 | 12,598,630 | 4,356,318 | 16,954,948 | | 16,954,948 | |
| 4 | Taxes other than income taxes | 408 | 5,871,957 | 344,859 | 6,216,816 | | 6,216,816 | |
| 5 | Federal Income Taxes | 409 | 535,500 | 1,392,759 | 1,928,259 | 5,767,896 | 7,696,155 | |
| 6 | State Income Taxes | 409 | 68,482 | 254,395 | 322,877 | 734,898 | 1,057,775 | |
| 7 | Total operating expenses | | 78,878,614 | (1,722,999) | 77,155,615 | 6,692,376 | 83,847,991 | |
| 8 | Utility operating income | | \$ 14,499,249 | \$ (1,263,022) | \$ 13,236,227 | \$ 10,711,805 | \$ 23,948,032 | |
| 9 | Original cost rate base | | \$ 289,927,748 | | \$ 289,927,748 | | \$ 289,927,748 | |
| 10 | Rate of return | | 5.00% | | 4.57% | | 8.26% | |

1 Originally filed Operating Revenues As Adjusted Under Proposed Rates in the amount of \$109,062,875 less MEMJAWA revenues (described in IAWC Exhibit No. 4.00 SUPP) in the amount of \$594,381 equals the amount of revenues expected to be generated by the proposed tariffs.

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Exhibit No. 17.00
Chicago Metro - Water
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|---------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 39,410,231 | \$ (13,899,680) | \$ 25,510,551 | \$ 2,051,400 | \$ 27,561,951 | <u>\$ 27,775,518</u> |
| 2 | Operation and maintenance expense | 401 | 28,319,795 | (16,342,844) | 11,976,951 | 22,346 | 11,999,297 | |
| 3 | Depreciation and amortization | 403 & 407 | 5,766,290 | (1,112,580) | 4,653,711 | | 4,653,711 | |
| 4 | Taxes other than income taxes | 408 | 1,593,983 | 120,824 | 1,714,807 | | 1,714,807 | |
| 5 | Federal Income Taxes | 409 | 101,698 | 1,345,422 | 1,447,120 | 679,852 | 2,126,972 | |
| 6 | State Income Taxes | 409 | 13,006 | 199,398 | 212,404 | 86,621 | 299,025 | |
| 7 | Total operating expenses | | <u>35,794,772</u> | <u>(15,789,779)</u> | <u>20,004,993</u> | <u>788,819</u> | <u>20,793,812</u> | |
| 8 | Utility operating income | | <u>\$ 3,615,459</u> | <u>\$ 1,890,099</u> | <u>\$ 5,505,557</u> | <u>\$ 1,262,582</u> | <u>\$ 6,768,139</u> | |
| 9 | Original cost rate base | | \$ 81,938,720 | | \$ 81,938,720 | | \$ 81,938,720 | |
| 10 | Rate of return | | 4.41% | | 6.72% | | 8.26% | |

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Exhibit No. 17.00
Chicago Metro - Waste Water
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|--------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 12,886,417 | \$ (788,649) | \$ 12,097,768 | \$ (791,770) | \$ 11,305,998 | <u>\$ 11,679,622</u> |
| 2 | Operation and maintenance expense | 401 | 5,296,608 | (1,496,952) | 3,799,656 | (8,627) | 3,791,029 | |
| 3 | Depreciation and amortization | 403 & 407 | 4,189,571 | (1,408,438) | 2,781,132 | | 2,781,132 | |
| 4 | Taxes other than income taxes | 408 | 340,905 | 76,638 | 417,543 | | 417,543 | |
| 5 | Federal Income Taxes | 409 | 49,951 | 1,191,819 | 1,241,770 | (262,399) | 979,371 | |
| 6 | State Income Taxes | 409 | 6,388 | 169,852 | 176,240 | (33,433) | 142,807 | |
| 7 | Total operating expenses | | <u>9,883,423</u> | <u>(1,467,081)</u> | <u>8,416,341</u> | <u>(304,459)</u> | <u>8,111,882</u> | |
| 8 | Utility operating income | | <u>\$ 3,002,995</u> | <u>\$ 678,432</u> | <u>\$ 3,681,427</u> | <u>\$ (487,312)</u> | <u>\$ 3,194,115</u> | |
| 9 | Original cost rate base | | \$ 38,669,681 | | \$ 38,669,681 | | \$ 38,669,681 | |
| 10 | Rate of return | | 7.77% | | 9.52% | | 8.26% | |

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Exhibit No. 17.00
Champaign
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|---------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 21,233,450 | \$ (497,466) | \$ 20,735,984 | \$ 11,942,819 | \$ 32,678,803 | \$ 33,142,696 |
| 2 | Operation and maintenance expense | 401 | 17,326,632 | (2,543,820) | 14,782,812 | 130,093 | 14,912,905 | |
| 3 | Depreciation and amortization | 403 & 407 | 3,504,311 | 1,230,483 | 4,734,794 | | 4,734,794 | |
| 4 | Taxes other than income taxes | 408 | 1,627,135 | 112,933 | 1,740,068 | | 1,740,068 | |
| 5 | Federal Income Taxes | 409 | 179,632 | (1,552,440) | (1,372,808) | 3,957,953 | 2,585,145 | |
| 6 | State Income Taxes | 409 | 22,972 | (172,801) | (149,829) | 504,290 | 354,461 | |
| 7 | Total operating expenses | | <u>22,660,683</u> | <u>(2,925,646)</u> | <u>19,735,038</u> | <u>4,592,336</u> | <u>24,327,374</u> | |
| 8 | Utility operating income | | <u>\$ (1,427,233)</u> | <u>\$ 2,428,180</u> | <u>\$ 1,000,947</u> | <u>\$ 7,350,483</u> | <u>\$ 8,351,430</u> | |
| 9 | Original cost rate base | | \$ 101,106,905 | | \$ 101,106,905 | | \$ 101,106,905 | |
| 10 | Rate of return | | -1.41% | | 0.99% | | 8.26% | |

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Exhibit No. 17.00
Sterling
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|--------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 3,570,103 | \$ (40,903) | \$ 3,529,200 | \$ 858,806 | \$ 4,388,006 | <u>\$ 4,623,101</u> |
| 2 | Operation and maintenance expense | 401 | 2,181,653 | (301,691) | 1,879,962 | 9,355 | 1,889,317 | |
| 3 | Depreciation and amortization | 403 & 407 | 475,118 | 212,589 | 687,707 | | 687,707 | |
| 4 | Taxes other than income taxes | 408 | 260,752 | 14,560 | 275,312 | | 275,312 | |
| 5 | Federal Income Taxes | 409 | 22,021 | 54,565 | 76,586 | 284,616 | 361,202 | |
| 6 | State Income Taxes | 409 | 2,816 | 10,624 | 13,440 | 36,263 | 49,703 | |
| 7 | Total operating expenses | | <u>2,942,360</u> | <u>(9,353)</u> | <u>2,933,007</u> | <u>330,234</u> | <u>3,263,241</u> | |
| 8 | Utility operating income | | <u>\$ 627,743</u> | <u>\$ (31,550)</u> | <u>\$ 596,193</u> | <u>\$ 528,572</u> | <u>\$ 1,124,765</u> | |
| 9 | Original cost rate base | | \$ 13,617,006 | | \$ 13,617,006 | | \$ 13,617,006 | |
| 10 | Rate of return | | 4.61% | | 4.38% | | 8.26% | |

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Pekin
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|---------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 5,513,238 | \$ (184,495) | \$ 5,328,743 | \$ 1,357,567 | \$ 6,686,310 | <u>\$ 6,751,284</u> |
| 2 | Operation and maintenance expense | 401 | 4,085,413 | (656,328) | 3,429,085 | 14,789 | 3,443,874 | |
| 3 | Depreciation and amortization | 403 & 407 | 350,564 | 693,516 | 1,044,081 | | 1,044,081 | |
| 4 | Taxes other than income taxes | 408 | 362,389 | 17,576 | 379,965 | | 379,965 | |
| 5 | Federal Income Taxes | 409 | 47,950 | (63,233) | (15,283) | 449,909 | 434,626 | |
| 6 | State Income Taxes | 409 | 6,132 | (3,822) | 2,310 | 57,324 | 59,634 | |
| 7 | Total operating expenses | | <u>4,852,449</u> | <u>(12,291)</u> | <u>4,840,158</u> | <u>522,022</u> | <u>5,362,180</u> | |
| 8 | Utility operating income | | <u>\$ 660,790</u> | <u>\$ (172,204)</u> | <u>\$ 488,585</u> | <u>\$ 835,546</u> | <u>\$ 1,324,131</u> | |
| 9 | Original cost rate base | | \$ 16,030,644 | | \$ 16,030,644 | | \$ 16,030,644 | |
| 10 | Rate of return | | 4.12% | | 3.05% | | 8.26% | |

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Lincoln
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | ICC Account No. | Forecast Under Present Rates | Adjustments | As Adjusted Under Present Rates | Required Revenue Increase | As Adjusted Under Required Rates | As Adjusted Under Proposed Tariffs |
|----------|-----------------------------------|-----------------|------------------------------|---------------------|---------------------------------|---------------------------|----------------------------------|------------------------------------|
| 1 | Operating revenues | 400 | \$ 3,311,605 | \$ (59,653) | \$ 3,251,952 | \$ - | \$ 3,251,952 | <u>\$ 3,227,130</u> |
| 2 | Operation and maintenance expense | 401 | 1,982,931 | (272,206) | 1,710,724 | - | 1,710,724 | |
| 3 | Depreciation and amortization | 403 & 407 | 405,979 | 288,129 | 694,108 | | 694,108 | |
| 4 | Taxes other than income taxes | 408 | 153,603 | 11,294 | 164,897 | | 164,897 | |
| 5 | Federal Income Taxes | 409 | 19,463 | 113,281 | 132,744 | - | 132,744 | |
| 6 | State Income Taxes | 409 | 2,489 | 16,566 | 19,055 | - | 19,055 | |
| 7 | Total operating expenses | | <u>2,564,464</u> | <u>157,064</u> | <u>2,721,529</u> | - | <u>2,721,529</u> | |
| 8 | Utility operating income | | <u>\$ 747,141</u> | <u>\$ (216,717)</u> | <u>\$ 530,423</u> | <u>\$ (0)</u> | <u>\$ 530,423</u> | |
| 9 | Original cost rate base | | \$ 8,505,479 | | \$ 8,505,479 | | \$ 8,505,479 | |
| 10 | Rate of return | | 8.78% | | 6.24% | | 8.26% | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Utility Proposed Adjustments to Operating Income
Period Reported: July 2008 through June 2009

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Schedule C-2 First Revised
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Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|----------------|----------------|-------------------------------------|
| 1 | Operating Revenue | \$ 179,302,908 | \$ - | \$ - | \$ - | \$ - | \$ (3,840,326) | \$ - | \$ - |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 22,325,039 | - | - | - | - | - | - | - |
| 4 | Purchased Water | 15,298,047 | - | - | - | - | - | - | - |
| 5 | Fuel and power | 8,365,931 | - | - | - | - | - | - | (103,053) |
| 6 | Chemicals | 5,490,905 | - | - | - | - | - | - | - |
| 7 | Waste disposal | 2,054,209 | - | - | - | - | - | - | - |
| 8 | Management fees | 18,523,751 | - | - | - | - | - | - | - |
| 9 | Group insurance | 6,620,814 | - | - | - | - | - | - | - |
| 10 | Pensions | 1,661,676 | - | - | - | - | - | - | - |
| 11 | Regulatory expense | 410,000 | 61,137 | - | - | - | - | - | - |
| 12 | Insurance - other | 4,389,406 | - | - | - | - | - | - | - |
| 13 | Customer accounting | 3,647,363 | - | - | - | - | - | - | - |
| 14 | Rents | 1,102,312 | - | - | - | - | - | - | - |
| 15 | General office expense | 2,255,988 | - | - | - | - | - | - | - |
| 16 | Maintenance - other | 19,667,359 | - | 121,080 | - | (13,373,042) | - | - | - |
| 17 | Miscellaneous | 7,184,279 | - | - | - | - | - | - | - |
| 18 | Total O & M Expense | 118,997,079 | 61,137 | 121,080 | - | (13,373,042) | - | - | (103,053) |
| 19 | Depreciation & Amortization | 27,290,463 | - | - | (740,424) | - | - | 5,000,442 | - |
| 20 | Taxes Other Than Income | 10,210,724 | - | - | - | - | - | - | - |
| 21 | Current Federal taxes | 685,989 | (20,484) | (40,569) | 248,085 | 4,480,749 | (1,286,733) | (1,675,440) | 6,814 |
| 22 | Current State taxes | 98,273 | (2,610) | (5,169) | 31,609 | 570,900 | (163,945) | (213,472) | 868 |
| 23 | Deferred Federal taxes | 270,226 | - | - | - | - | - | - | - |
| 24 | Deferred State taxes | 24,012 | - | - | - | - | - | - | - |
| 25 | Total Operating Expenses | 157,576,765 | 38,043 | 75,342 | (460,730) | (8,321,393) | (1,450,678) | 3,111,530 | (95,371) |
| 26 | Utility Operating Income | \$ 21,726,143 | \$ (38,043) | \$ (75,342) | \$ 460,730 | \$ 8,321,393 | \$ (2,389,648) | \$ (3,111,530) | \$ 95,371 |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Total Company
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| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|----------------|
| 1 | Operating Revenue | \$ - | \$ (14,636,606) | \$ 20,065 | \$ - | \$ - | \$ - | \$ (18,456,867) | \$ 160,846,041 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | - | - | - | - | - | - | - | 22,325,039 |
| 4 | Purchased Water | - | (15,298,046) | - | - | - | - | (15,298,046) | 1 |
| 5 | Fuel and power | (114,567) | - | - | - | - | - | (217,620) | 8,148,311 |
| 6 | Chemicals | (91,382) | - | - | - | - | - | (91,382) | 5,399,523 |
| 7 | Waste disposal | - | (789,218) | - | - | - | - | (789,218) | 1,264,991 |
| 8 | Management fees | - | - | - | - | - | - | - | 18,523,751 |
| 9 | Group insurance | - | - | - | - | - | - | - | 6,620,814 |
| 10 | Pensions | - | - | - | - | - | - | - | 1,661,676 |
| 11 | Regulatory expense | - | - | - | - | - | - | 61,137 | 471,137 |
| 12 | Insurance - other | - | - | - | - | - | - | - | 4,389,406 |
| 13 | Customer accounting | - | - | - | - | - | - | - | 3,647,363 |
| 14 | Rents | - | - | - | - | - | - | - | 1,102,312 |
| 15 | General office expense | - | - | - | - | - | - | - | 2,255,988 |
| 16 | Maintenance - other | - | - | - | - | - | - | (13,251,963) | 6,415,396 |
| 17 | Miscellaneous | - | - | - | - | (98,080) | - | (98,080) | 7,086,198 |
| 18 | Total O & M Expense | (205,949) | (16,087,264) | - | - | (98,080) | - | (29,685,172) | 89,311,907 |
| 19 | Depreciation & Amortization | - | - | - | - | - | - | 4,260,018 | 31,550,480 |
| 20 | Taxes Other Than Income | - | - | - | 698,685 | - | - | 698,685 | 10,909,409 |
| 21 | Current Federal taxes | 69,005 | 486,056 | 6,723 | (234,099) | 32,863 | (471,959) | 1,601,011 | 2,287,000 |
| 22 | Current State taxes | 8,793 | 61,929 | 857 | (29,827) | 4,187 | (72,393) | 191,727 | 290,000 |
| 23 | Deferred Federal taxes | - | - | - | - | - | 881,162 | 881,162 | 1,151,388 |
| 24 | Deferred State taxes | - | - | - | - | - | 282,485 | 282,485 | 306,497 |
| 25 | Total Operating Expenses | (128,151) | (15,539,279) | 7,580 | 434,759 | (61,030) | 619,295 | (21,770,084) | 135,806,681 |
| 26 | Utility Operating Income | \$ 128,151 | \$ 902,673 | \$ 12,485 | \$ (434,759) | \$ 61,030 | \$ (619,295) | \$ 3,313,217 | \$ 25,039,359 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

ILLINOIS-AMERICAN WATER COMPANY
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Summary of Utility Proposed Adjustments to Operating Income
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Exhibit No. 17.00
Southern/Peoria/Streator/Pontiac/South Beloit
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|----------------|----------------|-------------------------------------|
| 1 | Operating Revenue | \$ 93,377,863 | \$ - | \$ - | \$ - | \$ - | \$ (2,701,361) | \$ - | \$ - |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 13,259,581 | - | - | - | - | - | - | - |
| 4 | Purchased Water | 287,112 | - | - | - | - | - | - | - |
| 5 | Fuel and power | 5,143,644 | - | - | - | - | - | - | (63,361) |
| 6 | Chemicals | 3,961,550 | - | - | - | - | - | - | - |
| 7 | Waste disposal | 843,244 | - | - | - | - | - | - | - |
| 8 | Management fees | 10,373,670 | - | - | - | - | - | - | - |
| 9 | Group insurance | 3,869,694 | - | - | - | - | - | - | - |
| 10 | Pensions | 980,349 | - | - | - | - | - | - | - |
| 11 | Regulatory expense | 229,608 | 34,238 | - | - | - | - | - | - |
| 12 | Insurance - other | 2,458,048 | - | - | - | - | - | - | - |
| 13 | Customer accounting | 1,995,812 | - | - | - | - | - | - | - |
| 14 | Rents | 195,854 | - | - | - | - | - | - | - |
| 15 | General office expense | 1,019,339 | - | - | - | - | - | - | - |
| 16 | Maintenance - other | 11,056,144 | - | (6,954) | - | (7,489,170) | - | - | - |
| 17 | Miscellaneous | 4,130,397 | - | - | - | - | - | - | - |
| 18 | Total O & M Expense | 59,804,046 | 34,238 | (6,954) | - | (7,489,170) | - | - | - |
| 19 | Depreciation & Amortization | 12,598,630 | - | - | - | - | - | 4,356,318 | - |
| 20 | Taxes Other Than Income | 5,871,957 | - | - | - | - | - | - | - |
| 21 | Current Federal taxes | 384,168 | (11,472) | 2,330 | - | 2,509,309 | (905,113) | (1,459,620) | - |
| 22 | Current State taxes | 55,035 | (1,462) | 295 | - | 319,715 | (115,322) | (185,974) | - |
| 23 | Deferred Federal taxes | 151,332 | - | - | - | - | - | - | - |
| 24 | Deferred State taxes | 13,447 | - | - | - | - | - | - | - |
| 25 | Total Operating Expenses | 78,878,614 | 21,304 | (4,329) | - | (4,660,146) | (1,017,819) | 2,710,724 | - |
| 26 | Utility Operating Income | \$ 14,499,249 | \$ (21,304) | \$ 4,329 | \$ - | \$ 4,586,403 | \$ (1,676,618) | \$ (2,710,724) | \$ - |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

ILLINOIS-AMERICAN WATER COMPANY
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Exhibit No. 17.00
Southern/Peoria/Streator/Pontiac/South
Workpaper Reference: _____

| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | \$ - | \$ (304,725) | \$ 20,065 | \$ - | \$ - | \$ - | \$ (2,986,021) | \$ 90,391,842 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | - | - | - | - | - | - | - | 13,259,581 |
| 4 | Purchased Water | - | (287,112) | - | - | - | - | (287,112) | 0 |
| 5 | Fuel and power | (114,486) | - | - | - | - | - | (177,847) | 4,965,797 |
| 6 | Chemicals | (91,352) | - | - | - | - | - | (91,352) | 3,870,198 |
| 7 | Waste disposal | - | - | - | - | - | - | - | 843,244 |
| 8 | Management fees | - | - | - | - | - | - | - | 10,373,670 |
| 9 | Group insurance | - | - | - | - | - | - | - | 3,869,694 |
| 10 | Pensions | - | - | - | - | - | - | - | 980,349 |
| 11 | Regulatory expense | - | - | - | - | - | - | 34,238 | 263,846 |
| 12 | Insurance - other | - | - | - | - | - | - | - | 2,458,048 |
| 13 | Customer accounting | - | - | - | - | - | - | - | 1,995,812 |
| 14 | Rents | - | - | - | - | - | - | - | 195,854 |
| 15 | General office expense | - | - | - | - | - | - | - | 1,019,339 |
| 16 | Maintenance - other | - | - | - | - | - | - | (7,496,124) | 3,560,020 |
| 17 | Miscellaneous | - | - | - | - | (53,134) | - | (53,134) | 4,077,263 |
| 18 | Total O & M Expense | (205,838) | (287,112) | - | - | (53,134) | - | (8,071,331) | 51,732,715 |
| 19 | Depreciation & Amortization | - | - | - | - | - | - | 4,356,318 | 16,954,948 |
| 20 | Taxes Other Than Income | - | - | - | 344,859 | - | - | 344,859 | 6,216,816 |
| 21 | Current Federal taxes | 68,968 | (5,901) | 6,723 | (115,548) | 17,803 | 850,353 | 957,832 | 1,342,000 |
| 22 | Current State taxes | 8,788 | (752) | 857 | (14,722) | 2,269 | 101,273 | 114,965 | 170,000 |
| 23 | Deferred Federal taxes | - | - | - | - | - | 434,927 | 434,927 | 586,259 |
| 24 | Deferred State taxes | - | - | - | - | - | 139,430 | 139,430 | 152,877 |
| 25 | Total Operating Expenses | (128,082) | (293,765) | 7,580 | 214,589 | (33,062) | 1,525,983 | (1,722,999) | 77,155,615 |
| 26 | Utility Operating Income | \$ 128,082 | \$ (10,960) | \$ 12,485 | \$ (214,589) | \$ 33,062 | \$ (1,525,983) | \$ (1,263,022) | \$ 13,236,227 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

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Exhibit No. 17.00
Chicago Metro - Water
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 39,410,231 | \$ - | \$ - | \$ - | \$ - | \$ (356,448) | \$ - | \$ - |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 3,831,011 | - | - | - | - | - | - | - |
| 4 | Purchased Water | 15,010,934 | - | - | - | - | - | - | - |
| 5 | Fuel and power | 395,290 | - | - | - | - | - | - | (4,869) |
| 6 | Chemicals | 18,657 | - | - | - | - | - | - | - |
| 7 | Waste disposal | - | - | - | - | - | - | - | - |
| 8 | Management fees | 1,970,079 | - | - | - | - | - | - | - |
| 9 | Group insurance | 1,043,963 | - | - | - | - | - | - | - |
| 10 | Pensions | 257,081 | - | - | - | - | - | - | - |
| 11 | Regulatory expense | 43,605 | 6,502 | - | - | - | - | - | - |
| 12 | Insurance - other | 466,812 | - | - | - | - | - | - | - |
| 13 | Customer accounting | 597,825 | - | - | - | - | - | - | - |
| 14 | Rents | 533,806 | - | - | - | - | - | - | - |
| 15 | General office expense | 474,445 | - | - | - | - | - | - | - |
| 16 | Maintenance - other | 2,648,262 | - | 98,814 | - | (1,422,279) | - | - | - |
| 17 | Miscellaneous | 1,028,026 | - | - | - | - | - | - | - |
| 18 | Total O & M Expense | 28,319,795 | 6,502 | 98,814 | - | (1,422,279) | - | - | (4,869) |
| 19 | Depreciation & Amortization | 5,766,290 | - | - | (234,408) | - | - | (878,172) | - |
| 20 | Taxes Other Than Income | 1,593,983 | - | - | - | - | - | - | - |
| 21 | Current Federal taxes | 72,958 | (2,178) | (33,109) | 78,540 | 476,546 | (119,431) | 294,239 | - |
| 22 | Current State taxes | 10,452 | (278) | (4,218) | 10,007 | 60,718 | (15,217) | 37,489 | - |
| 23 | Deferred Federal taxes | 28,740 | - | - | - | - | - | - | - |
| 24 | Deferred State taxes | 2,554 | - | - | - | - | - | - | - |
| 25 | Total Operating Expenses | 35,794,772 | 4,046 | 61,487 | (145,861) | (885,015) | (134,648) | (546,444) | (4,869) |
| 26 | Utility Operating Income | \$ 3,615,459 | \$ (4,046) | \$ (61,487) | \$ 145,861 | \$ 885,015 | \$ (221,800) | \$ 546,444 | \$ 4,869 |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

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Exhibit No. 17.00
Chicago Metro - Water
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| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | \$ - | \$ (13,543,232) | \$ - | \$ - | \$ - | \$ - | \$ (13,899,680) | \$ 25,510,551 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | - | - | - | - | - | - | - | 3,831,011 |
| 4 | Purchased Water | - | (15,010,934) | - | - | - | - | (15,010,934) | 0 |
| 5 | Fuel and power | - | - | - | - | - | - | (4,869) | 390,421 |
| 6 | Chemicals | - | - | - | - | - | - | - | 18,657 |
| 7 | Waste disposal | - | - | - | - | - | - | - | - |
| 8 | Management fees | - | - | - | - | - | - | - | 1,970,079 |
| 9 | Group insurance | - | - | - | - | - | - | - | 1,043,963 |
| 10 | Pensions | - | - | - | - | - | - | - | 257,081 |
| 11 | Regulatory expense | - | - | - | - | - | - | 6,502 | 50,107 |
| 12 | Insurance - other | - | - | - | - | - | - | - | 466,812 |
| 13 | Customer accounting | - | - | - | - | - | - | - | 597,825 |
| 14 | Rents | - | - | - | - | - | - | - | 533,806 |
| 15 | General office expense | - | - | - | - | - | - | - | 474,445 |
| 16 | Maintenance - other | - | - | - | - | - | - | (1,323,465) | 1,324,797 |
| 17 | Miscellaneous | - | - | - | - | (10,077) | - | (10,077) | 1,017,949 |
| 18 | Total O & M Expense | - | (15,010,934) | - | - | (10,077) | - | (16,342,844) | 11,976,951 |
| 19 | Depreciation & Amortization | - | - | - | - | - | - | (1,112,580) | 4,653,711 |
| 20 | Taxes Other Than Income | - | - | - | 120,824 | - | - | 120,824 | 1,714,807 |
| 21 | Current Federal taxes | - | 491,766 | - | (40,483) | 3,377 | 43,775 | 1,193,042 | 1,266,000 |
| 22 | Current State taxes | - | 62,657 | - | (5,158) | 430 | 4,118 | 150,548 | 161,000 |
| 23 | Deferred Federal taxes | - | - | - | - | - | 152,380 | 152,380 | 181,120 |
| 24 | Deferred State taxes | - | - | - | - | - | 48,850 | 48,850 | 51,404 |
| 25 | Total Operating Expenses | - | (14,456,511) | - | 75,183 | (6,270) | 249,123 | (15,789,779) | 20,004,993 |
| 26 | Utility Operating Income | \$ - | \$ 913,279 | \$ - | \$ (75,183) | \$ 6,270 | \$ (249,123) | \$ 1,890,099 | \$ 5,505,557 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

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Exhibit No. 17.00
Chicago Metro -Waste Water
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| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 12,886,417 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 551,936 | - | - | - | - | - | - | - |
| 4 | Purchased Water | - | - | - | - | - | - | - | - |
| 5 | Fuel and power | 600,204 | - | - | - | - | - | - | (7,393) |
| 6 | Chemicals | 25,123 | - | - | - | - | - | - | - |
| 7 | Waste disposal | 1,058,977 | - | - | - | - | - | - | - |
| 8 | Management fees | 967,650 | - | - | - | - | - | - | - |
| 9 | Group insurance | 170,901 | - | - | - | - | - | - | - |
| 10 | Pensions | 36,209 | - | - | - | - | - | - | - |
| 11 | Regulatory expense | 21,418 | 3,194 | - | - | - | - | - | - |
| 12 | Insurance - other | 229,286 | - | - | - | - | - | - | - |
| 13 | Customer accounting | 223,246 | - | - | - | - | - | - | - |
| 14 | Rents | 157 | - | - | - | - | - | - | - |
| 15 | General office expense | 160,938 | - | - | - | - | - | - | - |
| 16 | Maintenance - other | 850,964 | - | - | - | (698,586) | - | - | - |
| 17 | Miscellaneous | 399,598 | - | - | - | - | - | - | - |
| 18 | Total O & M Expense | 5,296,608 | 3,194 | - | - | (698,586) | - | - | (7,393) |
| 19 | Depreciation & Amortization | 4,189,571 | - | - | (506,016) | - | - | (902,422) | - |
| 20 | Taxes Other Than Income | 340,905 | - | - | - | - | - | - | - |
| 21 | Current Federal taxes | 35,835 | (1,070) | - | 169,545 | 234,067 | - | 302,364 | - |
| 22 | Current State taxes | 5,134 | (136) | - | 21,602 | 29,823 | - | 38,525 | - |
| 23 | Deferred Federal taxes | 14,116 | - | - | - | - | - | - | - |
| 24 | Deferred State taxes | 1,254 | - | - | - | - | - | - | - |
| 25 | Total Operating Expenses | 9,883,423 | 1,988 | - | (314,869) | (434,696) | - | (561,533) | (7,393) |
| 26 | Utility Operating Income | \$ 3,002,995 | \$ (1,988) | \$ - | \$ 314,869 | \$ 434,696 | \$ - | \$ 561,533 | \$ 7,393 |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

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Exhibit No. 17.00
Chicago Metro -Waste Water
Workpaper Reference: _____

| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | \$ - | \$ (788,649) | \$ - | \$ - | \$ - | \$ - | \$ (788,649) | \$ 12,097,768 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | - | - | - | - | - | - | - | 551,936 |
| 4 | Purchased Water | - | - | - | - | - | - | - | - |
| 5 | Fuel and power | - | - | - | - | - | - | (7,393) | 592,811 |
| 6 | Chemicals | - | - | - | - | - | - | - | 25,123 |
| 7 | Waste disposal | - | (789,218) | - | - | - | - | (789,218) | 269,759 |
| 8 | Management fees | - | - | - | - | - | - | - | 967,650 |
| 9 | Group insurance | - | - | - | - | - | - | - | 170,901 |
| 10 | Pensions | - | - | - | - | - | - | - | 36,209 |
| 11 | Regulatory expense | - | - | - | - | - | - | 3,194 | 24,612 |
| 12 | Insurance - other | - | - | - | - | - | - | - | 229,286 |
| 13 | Customer accounting | - | - | - | - | - | - | - | 223,246 |
| 14 | Rents | - | - | - | - | - | - | - | 157 |
| 15 | General office expense | - | - | - | - | - | - | - | 160,938 |
| 16 | Maintenance - other | - | - | - | - | - | - | (698,586) | 152,379 |
| 17 | Miscellaneous | - | - | - | - | (4,950) | - | (4,950) | 394,648 |
| 18 | Total O & M Expense | - | (789,218) | - | - | (4,950) | - | (1,496,952) | 3,799,656 |
| 19 | Depreciation & Amortization | - | - | - | - | - | - | (1,408,438) | 2,781,132 |
| 20 | Taxes Other Than Income | - | - | - | 76,638 | - | - | 76,638 | 417,543 |
| 21 | Current Federal taxes | - | 191 | - | (25,678) | 1,659 | 414,087 | 1,095,165 | 1,131,000 |
| 22 | Current State taxes | - | 24 | - | (3,272) | 211 | 52,089 | 138,866 | 144,000 |
| 23 | Deferred Federal taxes | - | - | - | - | - | 96,654 | 96,654 | 110,770 |
| 24 | Deferred State taxes | - | - | - | - | - | 30,986 | 30,986 | 32,240 |
| 25 | Total Operating Expenses | - | (789,003) | - | 47,688 | (3,080) | 593,816 | (1,467,081) | 8,416,341 |
| 26 | Utility Operating Income | \$ - | \$ 354 | \$ - | \$ (47,688) | \$ 3,080 | \$ (593,816) | \$ 678,432 | \$ 3,681,427 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

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Exhibit No. 17.00
Champaign
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 21,233,450 | | | | | (\$497,466) | | |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 2,982,671 | | | | | | | |
| 4 | Purchased Water | - | | | | | | | |
| 5 | Fuel and power | 1,650,962 | | | | | | | (20,337) |
| 6 | Chemicals | 1,261,339 | | | | | | | |
| 7 | Waste disposal | 111,315 | | | | | | | |
| 8 | Management fees | 3,479,833 | | | | | | | |
| 9 | Group insurance | 971,057 | | | | | | | |
| 10 | Pensions | 248,029 | | | | | | | |
| 11 | Regulatory expense | 77,022 | 11,485 | | | | | | |
| 12 | Insurance - other | 824,738 | | | | | | | |
| 13 | Customer accounting | 538,830 | | | | | | | |
| 14 | Rents | 318,291 | | | | | | | |
| 15 | General office expense | 336,800 | | | | | | | |
| 16 | Maintenance - other | 3,439,273 | | (1,610) | | (2,512,232) | | | |
| 17 | Miscellaneous | 1,086,473 | | | | | | | |
| 18 | Total O & M Expense | 17,326,632 | 11,485 | (1,610) | - | (2,512,232) | - | - | (20,337) |
| 19 | Depreciation & Amortization | 3,504,311 | | | - | | | 1,230,483 | |
| 20 | Taxes Other Than Income | 1,627,135 | | | | | - | | |
| 21 | Current Federal taxes | 128,868 | (3,848) | 540 | - | 841,744 | (166,680) | (412,284) | 6,814 |
| 22 | Current State taxes | 18,461 | (490) | 69 | - | 107,248 | (21,237) | (52,530) | 868 |
| 23 | Deferred Federal taxes | 50,764 | | | | | | | |
| 24 | Deferred State taxes | 4,511 | | | | | | | |
| 25 | Total Operating Expenses | 22,660,683 | 7,147 | (1,001) | - | (1,563,240) | | 765,669 | (12,655) |
| 26 | Utility Operating Income | \$ (1,427,233) | \$ (7,147) | \$ 1,001 | \$ - | \$ 1,563,240 | \$ (497,466) | \$ (765,669) | \$ 12,655 |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

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Exhibit No. 17.00
Champaign
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| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (497,466) | \$ 20,735,984 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | | | | | | | - | 2,982,671 |
| 4 | Purchased Water | | - | | | | | | |
| 5 | Fuel and power | - | | | | | | (20,337) | 1,630,625 |
| 6 | Chemicals | - | | | | | | - | 1,261,339 |
| 7 | Waste disposal | | | | | | | - | 111,315 |
| 8 | Management fees | | | | | | | - | 3,479,833 |
| 9 | Group insurance | | | | | | | - | 971,057 |
| 10 | Pensions | | | | | | | - | 248,029 |
| 11 | Regulatory expense | | | | | | | 11,485 | 88,507 |
| 12 | Insurance - other | | | | | | | - | 824,738 |
| 13 | Customer accounting | | | | | | | - | 538,830 |
| 14 | Rents | | | | | | | - | 318,291 |
| 15 | General office expense | | | | | | | - | 336,800 |
| 16 | Maintenance - other | | | | | | | (2,513,842) | 925,431 |
| 17 | Miscellaneous | | | | | (21,126) | | (21,126) | 1,065,346 |
| 18 | Total O & M Expense | - | - | - | - | (21,126) | - | (2,543,820) | 14,782,812 |
| 19 | Depreciation & Amortization | | | | | | | 1,230,483 | 4,734,794 |
| 20 | Taxes Other Than Income | | | | 112,933 | | | 112,933 | 1,740,068 |
| 21 | Current Federal taxes | - | - | - | (37,839) | 7,078 | (1,930,393) | (1,694,868) | (1,566,000) |
| 22 | Current State taxes | - | - | - | (4,821) | 902 | (248,470) | (218,461) | (200,000) |
| 23 | Deferred Federal taxes | | | | | | 142,428 | 142,428 | 193,192 |
| 24 | Deferred State taxes | | | | | | 45,660 | 45,660 | 50,171 |
| 25 | Total Operating Expenses | - | - | - | 70,273 | (13,146) | (1,990,775) | (2,925,645) | 19,735,038 |
| 26 | Utility Operating Income | \$ - | \$ - | \$ - | \$ (70,273) | \$ 13,146 | \$ 1,990,775 | \$ 2,428,179 | \$ 1,000,946 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

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Period Reported: July 2008 through June 2009

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Schedule C-2 First Revised
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Sterling
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 3,570,103 | | | | | (\$40,903) | | |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 470,974 | | | | | | | |
| 4 | Purchased Water | - | | | | | | | |
| 5 | Fuel and power | 197,522 | | | | | | | (2,433) |
| 6 | Chemicals | 94,193 | | | | | | | |
| 7 | Waste disposal | 6,163 | | | | | | | |
| 8 | Management fees | 426,600 | | | | | | | |
| 9 | Group insurance | 165,449 | | | | | | | |
| 10 | Pensions | 39,830 | | | | | | | |
| 11 | Regulatory expense | 9,442 | 1,408 | | | | | | |
| 12 | Insurance - other | 101,083 | | | | | | | |
| 13 | Customer accounting | 78,482 | | | | | | | |
| 14 | Rents | 24,948 | | | | | | | |
| 15 | General office expense | 52,771 | | | | | | | |
| 16 | Maintenance - other | 377,589 | | 9,497 | | (307,980) | | | |
| 17 | Miscellaneous | 136,605 | | | | | | | |
| 18 | Total O & M Expense | 2,181,653 | 1,408 | 9,497 | - | (307,980) | | - | |
| 19 | Depreciation & Amortization | 475,118 | | | | | | 212,589 | |
| 20 | Taxes Other Than Income | 260,752 | | | | | | | |
| 21 | Current Federal taxes | 15,798 | (472) | (3,182) | - | 103,191 | (13,705) | (71,230) | |
| 22 | Current State taxes | 2,263 | (60) | (405) | - | 13,148 | (1,746) | (9,076) | |
| 23 | Deferred Federal taxes | 6,223 | | | | | | | |
| 24 | Deferred State taxes | 553 | | | | | | | |
| 25 | Total Operating Expenses | 2,942,360 | 876 | 5,910 | - | (191,641) | (15,451) | 132,283 | |
| 26 | Utility Operating Income | \$ 627,743 | \$ (876) | \$ (5,910) | \$ - | \$ 191,641 | \$ (25,452) | \$ (132,283) | |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Utility Proposed Adjustments to Operating Income
Period Reported: July 2008 through June 2009

Section 285.3010
Schedule C-2 First Revised
Page 12 of 16
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Sterling
Workpaper Reference: _____

| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (40,903) | \$ 3,529,200 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | | | | | | | - | 470,974 |
| 4 | Purchased Water | | - | | | | | | |
| 5 | Fuel and power | - | | | | | | (2,433) | 195,089 |
| 6 | Chemicals | - | | | | | | | 94,193 |
| 7 | Waste disposal | | | | | | | | 6,163 |
| 8 | Management fees | | | | | | | | 426,600 |
| 9 | Group insurance | | | | | | | | 165,449 |
| 10 | Pensions | | | | | | | | 39,830 |
| 11 | Regulatory expense | | | | | | | 1,408 | 10,850 |
| 12 | Insurance - other | | | | | | | | 101,083 |
| 13 | Customer accounting | | | | | | | | 78,482 |
| 14 | Rents | | | | | | | | 24,948 |
| 15 | General office expense | | | | | | | | 52,771 |
| 16 | Maintenance - other | | | | | | | (298,484) | 79,106 |
| 17 | Miscellaneous | | | | | (2,182) | | (2,182) | 134,423 |
| 18 | Total O & M Expense | - | - | - | - | (2,182) | - | (301,691) | 1,879,962 |
| 19 | Depreciation & Amortization | | | | | | | 212,589 | 687,707 |
| 20 | Taxes Other Than Income | | | | 14,560 | | | 14,560 | 275,312 |
| 21 | Current Federal taxes | - | - | - | (4,878) | 731 | 25,747 | 36,202 | 52,000 |
| 22 | Current State taxes | - | - | - | (622) | 93 | 3,405 | 4,737 | 7,000 |
| 23 | Deferred Federal taxes | | | | | | 18,363 | 18,363 | 24,586 |
| 24 | Deferred State taxes | | | | | | 5,887 | 5,887 | 6,440 |
| 25 | Total Operating Expenses | - | - | - | 9,060 | (1,358) | 53,402 | (9,353) | 2,933,007 |
| 26 | Utility Operating Income | \$ - | \$ - | \$ - | \$ (9,060) | \$ 1,358 | \$ (53,402) | \$ (31,550) | \$ 596,193 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

ILLINOIS-AMERICAN WATER COMPANY
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Period Reported: July 2008 through June 2009

Section 285.3010
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Pekin
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 5,513,238 | | | | | (\$184,495) | | |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 825,116 | | | | | | | |
| 4 | Purchased Water | - | | | | | | | |
| 5 | Fuel and power | 190,733 | | | | | | | (2,349) |
| 6 | Chemicals | 83,355 | | | | | | | |
| 7 | Waste disposal | - | | | | | | | |
| 8 | Management fees | 928,876 | | | | | | | |
| 9 | Group insurance | 266,820 | | | | | | | |
| 10 | Pensions | 66,383 | | | | | | | |
| 11 | Regulatory expense | 20,560 | 3,066 | | | | | | |
| 12 | Insurance - other | 220,098 | | | | | | | |
| 13 | Customer accounting | 142,950 | | | | | | | |
| 14 | Rents | 10,599 | | | | | | | |
| 15 | General office expense | 157,830 | | | | | | | |
| 16 | Maintenance - other | 888,041 | | 18,231 | | (670,593) | | | |
| 17 | Miscellaneous | 284,051 | | | | | | | |
| 18 | Total O & M Expense | 4,085,413 | 3,066 | 18,231 | - | (670,593) | | - | |
| 19 | Depreciation & Amortization | 350,564 | | | - | | | 693,516 | |
| 20 | Taxes Other Than Income | 362,389 | | | | | - | | |
| 21 | Current Federal taxes | 34,399 | (1,027) | (6,108) | - | 224,688 | (61,817) | (232,369) | |
| 22 | Current State taxes | 4,928 | (131) | (778) | - | 28,628 | (7,876) | (29,606) | |
| 23 | Deferred Federal taxes | 13,551 | | | | | | | |
| 24 | Deferred State taxes | 1,204 | | | | | | | |
| 25 | Total Operating Expenses | 4,852,449 | 1,908 | 11,345 | - | (417,277) | | 431,541 | |
| 26 | Utility Operating Income | \$ 660,790 | \$ (1,908) | \$ (11,345) | | | | \$ (431,541) | |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Utility Proposed Adjustments to Operating Income
Period Reported: July 2008 through June 2009

Section 285.3010
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Pekin
Workpaper Reference: _____

| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (184,495) | \$ 5,328,743 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | | | | | | | - | 825,116 |
| 4 | Purchased Water | | - | | | | | | |
| 5 | Fuel and power | - | | | | | | (2,349) | 188,384 |
| 6 | Chemicals | - | | | | | | - | 83,355 |
| 7 | Waste disposal | | | | | | | - | - |
| 8 | Management fees | | | | | | | - | 928,876 |
| 9 | Group insurance | | | | | | | - | 266,820 |
| 10 | Pensions | | | | | | | - | 66,383 |
| 11 | Regulatory expense | | | | | | | 3,066 | 23,626 |
| 12 | Insurance - other | | | | | | | - | 220,098 |
| 13 | Customer accounting | | | | | | | - | 142,950 |
| 14 | Rents | | | | | | | - | 10,599 |
| 15 | General office expense | | | | | | | - | 157,830 |
| 16 | Maintenance - other | | | | | | | (652,362) | 235,679 |
| 17 | Miscellaneous | | | | | (4,683) | | (4,683) | 279,369 |
| 18 | Total O & M Expense | | - | - | - | (4,683) | - | (656,328) | 3,429,085 |
| 19 | Depreciation & Amortization | | | | | | | 693,516 | 1,044,081 |
| 20 | Taxes Other Than Income | | | | 17,576 | | | 17,576 | 379,965 |
| 21 | Current Federal taxes | - | - | - | (5,889) | 1,569 | (4,446) | (85,399) | (51,000) |
| 22 | Current State taxes | - | - | - | (750) | 200 | (615) | (10,928) | (6,000) |
| 23 | Deferred Federal taxes | | | | | | 22,166 | 22,166 | 35,717 |
| 24 | Deferred State taxes | | | | | | 7,106 | 7,106 | 8,310 |
| 25 | Total Operating Expenses | - | - | - | 10,937 | (2,914) | 24,211 | (12,291) | 4,840,158 |
| 26 | Utility Operating Income | \$ - | \$ - | \$ - | \$ (10,937) | \$ 2,914 | \$ (24,211) | \$ (172,204) | \$ 488,585 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Utility Proposed Adjustments to Operating Income
Period Reported: July 2008 through June 2009

Section 285.3010
Schedule C-2 First Revised
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Lincoln
Workpaper Reference: _____

| Line No. | Description | Test Year Jun-2009 | Rate Case Expense | Steel Structure Maintenance | UPAA Amortization | Net Negative Salvage | QIP Revenues | Depreciation | Fuel and Power Escalator Correction |
|----------|-----------------------------|--------------------|-------------------|-----------------------------|-------------------|----------------------|--------------|--------------|-------------------------------------|
| 1 | Operating Revenue | \$ 3,311,605 | | | | | (\$59,653) | | |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | 403,749 | | | | | | | |
| 4 | Purchased Water | - | | | | | | | |
| 5 | Fuel and power | 187,574 | | | | | | | (2,311) |
| 6 | Chemicals | 46,689 | | | | | | | |
| 7 | Waste disposal | 34,510 | | | | | | | |
| 8 | Management fees | 377,043 | | | | | | | |
| 9 | Group insurance | 132,930 | | | | | | | |
| 10 | Pensions | 33,795 | | | | | | | |
| 11 | Regulatory expense | 8,345 | 1,244 | | | | | | |
| 12 | Insurance - other | 89,341 | | | | | | | |
| 13 | Customer accounting | 70,218 | | | | | | | |
| 14 | Rents | 18,658 | | | | | | | |
| 15 | General office expense | 53,865 | | | | | | | |
| 16 | Maintenance - other | 407,085 | | 3,103 | | (272,203) | | | |
| 17 | Miscellaneous | 119,129 | | | | | | | |
| 18 | Total O & M Expense | 1,982,931 | 1,244 | 3,103 | - | (272,203) | | - | |
| 19 | Depreciation & Amortization | 405,979 | | | | | | 288,129 | |
| 20 | Taxes Other Than Income | 153,603 | | | | | | | |
| 21 | Current Federal taxes | 13,963 | (417) | (1,040) | - | 91,204 | (19,987) | (96,540) | |
| 22 | Current State taxes | 2,000 | (53) | (132) | - | 11,620 | (2,547) | (12,300) | |
| 23 | Deferred Federal taxes | 5,500 | | | | | | | |
| 24 | Deferred State taxes | 489 | | | | | | | |
| 25 | Total Operating Expenses | 2,564,464 | 774 | 1,931 | - | (169,379) | | 179,289 | |
| 26 | Utility Operating Income | \$ 747,141 | \$ (774) | \$ (1,931) | | | | \$ (179,289) | |
| 27 | Exhibit Reference | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 28 | Schedule Reference | C-2 | C-2.1 | C-2.2 | C-2.3 | C-2.4 | C-2.5 | C-2.6 | C-2.7 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Utility Proposed Adjustments to Operating Income
Period Reported: July 2008 through June 2009

Section 285.3010
Schedule C-2 First Revised
Page 16 of 16
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Lincoln
Workpaper Reference: _____

| Line No. | Description | Unaccounted For Water | Purchased Water and Waste Water Effects | South Beloit Budgeted Revenue Correction | Invested Capital Tax | Lobbying Expense | Other Income Tax Effects | Total Adjustments | Present Rates |
|----------|-----------------------------|-----------------------|---|--|----------------------|------------------|--------------------------|-------------------|---------------|
| 1 | Operating Revenue | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (59,653) | \$ 3,251,952 |
| 2 | O & M Expenses | | | | | | | | |
| 3 | Labor | | | | | | | - | 403,749 |
| 4 | Purchased Water | | - | | | | | | |
| 5 | Fuel and power | (80) | | | | | | (2,391) | 185,183 |
| 6 | Chemicals | (31) | | | | | | (31) | 46,659 |
| 7 | Waste disposal | | | | | | | - | 34,510 |
| 8 | Management fees | | | | | | | - | 377,043 |
| 9 | Group insurance | | | | | | | - | 132,930 |
| 10 | Pensions | | | | | | | - | 33,795 |
| 11 | Regulatory expense | | | | | | | 1,244 | 9,589 |
| 12 | Insurance - other | | | | | | | - | 89,341 |
| 13 | Customer accounting | | | | | | | - | 70,218 |
| 14 | Rents | | | | | | | - | 18,658 |
| 15 | General office expense | | | | | | | - | 53,865 |
| 16 | Maintenance - other | | | | | | | (269,100) | 137,985 |
| 17 | Miscellaneous | | | | | (1,929) | | (1,929) | 117,200 |
| 18 | Total O & M Expense | (111) | - | - | - | (1,929) | - | (272,206) | 1,710,724 |
| 19 | Depreciation & Amortization | | | | | | | 288,129 | 694,108 |
| 20 | Taxes Other Than Income | | | | 11,294 | | | 11,294 | 164,897 |
| 21 | Current Federal taxes | 37 | - | - | (3,784) | 646 | 128,918 | 99,037 | 113,000 |
| 22 | Current State taxes | 5 | - | - | (482) | 82 | 15,807 | 12,000 | 14,000 |
| 23 | Deferred Federal taxes | | | | | | 14,244 | 14,244 | 19,744 |
| 24 | Deferred State taxes | | | | | | 4,566 | 4,566 | 5,055 |
| 25 | Total Operating Expenses | (69) | - | - | 7,028 | (1,201) | 163,535 | 157,064 | 2,721,529 |
| 26 | Utility Operating Income | \$ 69 | \$ - | \$ - | \$ (7,028) | \$ 1,201 | \$ (163,535) | \$ (216,717) | \$ 530,423 |
| 27 | Exhibit Reference | 6.00 | 6.00 | 6.00 | 6.00 | | 12.0 | | |
| 28 | Schedule Reference | C-2.8 | C-2.9 | C-2.10 | C-2.11 | C-2.12 | C-5 | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3015
Schedule C-2.6 First Revised
Page 1 of 1
Witness Responsible: Rich Kerckhove

| Line No. | Description | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Water | Chicago Waste Water | Champaign | Sterling | Pekin | Lincoln |
|----------|--|---------------|---|---------------|---------------------|--------------|------------|--------------|------------|
| 1 | Depreciation Expense 2009 Projection | \$ 26,387,618 | \$12,530,046 | \$ 5,475,978 | \$ 3,677,615 | \$ 3,482,953 | \$ 472,499 | \$ 344,862 | \$ 403,665 |
| 2 | | | | | | | | | |
| 3 | Adjustment | 5,000,442 | 4,356,318 | (878,172) | (902,422) | 1,230,483 | 212,589 | 693,516 | 288,129 |
| 4 | | | | | | | | | |
| 5 | Depreciation Expense at Present Rates per C-12 | \$ 31,388,060 | \$16,886,364 | \$ 4,597,806 | \$ 2,775,193 | \$ 4,713,436 | \$ 685,088 | \$ 1,038,378 | \$ 691,794 |
| 6 | | | | | | | | | |

7 This adjustment adjusts the amount recorded in depreciation expense to the total amount of depreciation calculated using the new depreciation rates proposed by Mr. Robinson in Exhibit 9.00.
8 Adjustment 2.4 removes the net negative salvage portion of depreciation expense from maintenance expense. For the calculation of test year depreciation expense, please refer to schedule C-12.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Invested Capital Tax
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3015
Schedule C-2.11 First Revised
Page 1 of 1
Witness Responsible: Rich Kerckhove

| Line No. | Description | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Water | Chicago Waste Water | Champaign | Sterling | Pekin | Lincoln | |
|----------|--|---------------------|---|-------------------|---------------------|-------------------|-------------------|-------------------|------------------|--|
| 1 | Invested Capital Tax 2009 Projection | \$ 4,312,315 | \$ 2,128,489 | \$ 745,733 | \$ 473,016 | \$ 697,027 | \$ 89,865 | \$ 108,476 | \$ 69,710 | |
| 2 | | | | | | | | | | |
| 3 | Adjustment | 698,685 | 344,859 | 120,824 | 76,638 | 112,933 | 14,560 | 17,576 | 11,294 | |
| 4 | | | | | | | | | | |
| 5 | Invested Capital Tax at Proposed Rates | <u>\$ 5,011,000</u> | <u>\$ 2,473,348</u> | <u>\$ 866,557</u> | <u>\$ 549,654</u> | <u>\$ 809,960</u> | <u>\$ 104,425</u> | <u>\$ 126,052</u> | <u>\$ 81,004</u> | |
| 6 | | | | | | | | | | |
| 7 | This adjustment adjusts the invested capital tax to correct an error in the budget for the calculation of invested capital tax and to reflect the effect of the requested rate increase on invested capital. | | | | | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Lobbying Expense
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: WP-C-2.7

Section 285.3015
Schedule C-2.12
Page 1 of 1
Witness Responsible: Rich Kerckhove

| Line No. | | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Water | Chicago Waste Water | Champaign | Sterling | Pekin | Lincoln | |
|----------|---|---------------|---|---------------|---------------------|-------------|-------------|-------------|-------------|--|
| 1 | Lobbying Expense 2009 Projection | \$ 98,080 | \$53,134 | \$10,077 | \$4,950 | \$21,126 | \$2,182 | \$4,683 | \$1,929 | |
| 2 | | | | | | | | | | |
| 3 | Adjustment | (98,080) | (53,134) | (10,077) | (4,950) | (21,126) | (2,182) | (4,683) | (1,929) | |
| 4 | | | | | | | | | | |
| 5 | Lobbying Expense at Present Rates | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |
| 6 | | | | | | | | | | |
| 7 | This adjustment removes lobbying expense from test year operating expense pursuant to 220 ILCS 5/9-224. | | | | | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Comparative Operating Income Statements for Prior Years and the Test Year
Period Reported: July 2005 through June 2009

Section 285.3025
Schedule C-4 First Revised
Page 1 of 1
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Account Number | Jun-2006 | Jun-2007 | (1) Jun-2008 | Present Rates Jun-2009 | (2) Required Rates Jun-2009 | |
|----------|---|----------|----------------|-----------------|---------------------------|-----------------------------------|----------------|
| 1 | Operating Revenues | 400 | \$ 176,142,513 | \$ 173,629,559 | \$ 177,534,302 | \$ 179,302,908 | \$ 193,794,678 |
| 2 | Operating Expenses | | | | | | |
| 3 | Operation expenses | 401 | 89,996,802 | 97,362,085 | 96,966,880 | 99,329,720 | 83,255,419 |
| 4 | Maintenance expenses | 401 | 16,870,005 | 18,048,691 | 19,304,551 | 19,667,359 | 6,415,396 |
| 5 | Depreciation | 403 | 24,581,241 | 25,576,826 | 25,101,708 | 27,128,042 | 31,380,598 |
| 6 | Amortization | 406 | 160,844 | 171,068 | 162,421 | 162,421 | 162,421 |
| 7 | General taxes | 409 | 9,579,867 | 9,440,532 | 9,522,136 | 10,210,724 | 10,909,408 |
| 8 | State income taxes | 409 | (441,323) | 296,708 | 327,651 | 122,285 | 1,989,311 |
| 9 | Federal income taxes | 409 | 7,877,064 | 1,697,317 | 2,404,181 | 956,215 | 14,366,263 |
| 10 | Total operating expenses | | 148,624,500 | 152,593,227 | 153,789,528 | 157,576,765 | 148,478,816 |
| 11 | Utility Operating Income | | 27,518,013 | 21,036,332 | 23,744,774 | 21,726,143 | 45,315,862 |
| 12 | Income from merchandising and contract work | 415 | 280,033 | 489,927 | 507,362 | 581,269 | 581,269 |
| 13 | Non-operating rental income | 421 | 124,009 | 234,120 | 265,920 | 265,920 | 265,920 |
| 14 | Interest and dividend income | 419 | 1,981 | 34,974 | - | - | - |
| 15 | Miscellaneous non-operating income | 426 | 272 | - | - | - | - |
| 16 | Total other income | | 406,295 | 759,021 | 773,282 | 847,189 | 847,189 |
| 17 | Miscellaneous amortization | 426 | 2,610 | (2,936) | (10,834) | (10,811) | (10,811) |
| 18 | Other deductions | 426 | 293,836 | 431,164 | 774,864 | 722,443 | 722,443 |
| 19 | Net income before interest charges | | 27,627,862 | 21,367,125 | 23,754,025 | 21,861,699 | 45,451,419 |
| 20 | Interest charges | | | | | | |
| 21 | Interest on long-term debt | 427 | 12,811,748 | 13,646,544 | 18,544,768 | 21,198,924 | 21,198,924 |
| 22 | Amortization of debt discount and expense | 428 | 349,105 | 320,242 | 327,332 | 327,362 | 327,362 |
| 23 | Interest - Short Term Bank Debt | | 1,716,775 | 3,440,642 | 548,673 | - | - |
| 24 | Other interest expense | 427 | 13,867 | 50,015 | 25,182 | 25,626 | 25,626 |
| 25 | Interest charged to construction - credit | 420 | (305,574) | (387,271) | (1,729,025) | (2,797,511) | (2,797,511) |
| 26 | Total interest charges | | 14,585,921 | 17,070,172 | 17,716,930 | 18,754,402 | 18,754,402 |
| 27 | Net Income | | \$ 13,041,941 | \$ 4,296,953 | \$ 6,037,095 | \$ 3,107,297 | \$ 26,697,017 |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

(2) The rates as filed by the Company would produce an increase in revenues of \$35,416,186 above present rates.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 1 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|------------|------------------|---------------|---------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 685,989 | \$ 1,601,011 | | \$ 2,287,000 |
| 2 | State income tax | \$ 98,273 | \$ 191,727 | | \$ 290,000 |
| 3 | | | at Present Rates | | |
| 4 | | | Federal | State | |
| 5 | Utility operating income | | \$ 25,039,359 | \$ 25,039,359 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 17,923,355 | 17,923,355 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | 2,287,000 | 2,287,000 | |
| 10 | State income tax | | - | 290,000 | |
| 11 | Deferred federal income tax - accelerated depreciation | | 738,734 | 738,734 | |
| 12 | Deferred state income tax - accelerated depreciation | | 236,825 | 236,825 | |
| 13 | Deferred federal income tax - other | | 455,535 | 455,535 | |
| 14 | Deferred state income tax - other | | 58,715 | 58,715 | |
| 15 | Taxable meals and travel expenses | | 55,376 | 55,376 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (185,309) | (185,309) | |
| 19 | Amortization of state investment tax credit | | - | (34,703) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 31,388,059 | 31,388,059 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 35,034,935 | 35,290,232 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 35,613,868 | 35,613,868 | |
| 26 | Balance | | 6,537,071 | 6,792,368 | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property Losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| 32 | Taxable income | | \$ 6,537,071 | \$ 6,792,368 | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ 6,792,368 | |
| 35 | State income tax at 58.48% of 7.3%** | | | \$ 290,000 | |
| 36 | Subtotal | | | 290,000 | |
| 37 | Less: Deferred State ITC | | | - | |
| 38 | Federal income tax at 35% | | \$ 2,287,000 | | |
| 39 | Federal and state income tax | | \$ 2,287,000 | \$ 290,000 | |

40 * Rate base x weighted cost of debt.

41 ** Developed by using a five year average of actual taxable income to stand-alone taxable income.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Southern/Peoria/Streator/Pontiac/South Beloit
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 2 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year Jun-2009 | Adjustment | Present Rates |
|----------|---|-----------------------|---------------------|---------------------|
| 1 | Federal income tax | \$ 384,168 | \$ 957,832 | \$ 1,342,000 |
| 2 | State income tax | \$ 55,035 | \$ 114,965 | \$ 170,000 |
| 3 | | | at Present Rates | |
| 4 | | | <u>Federal</u> | <u>State</u> |
| 5 | Utility operating income | | \$ 13,236,227 | \$ 13,236,227 |
| 6 | Deduct: | | | |
| 7 | Interest costs* | | 9,451,644 | 9,451,644 |
| 8 | Add: | | | |
| 9 | Federal income tax | | 1,342,000 | 1,342,000 |
| 10 | State income tax | | - | 170,000 |
| 11 | Deferred federal income tax - accelerated depreciation | | 434,927 | 434,927 |
| 12 | Deferred state income tax - accelerated depreciation | | 139,430 | 139,430 |
| 13 | Deferred federal income tax - other | | 255,109 | 255,109 |
| 14 | Deferred state income tax - other | | 32,882 | 32,882 |
| 15 | Taxable meals and travel expenses | | 34,881 | 34,881 |
| 16 | Pension expense - FAS 87 | | - | - |
| 17 | Amortization of programmed maintenance expense | | - | - |
| 18 | Amortization of investment tax credit | | (103,777) | (103,777) |
| 19 | Amortization of state investment tax credit | | - | (19,435) |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - |
| | xxxxxxxxxxxxxx | | - | - |
| 21 | Depreciation - book basis | | 16,886,365 | 16,886,365 |
| 22 | Deferred State ITC | | - | - |
| 23 | Amortization of regulatory expense | | - | - |
| | xxxxxxxxxxxxxx | | - | - |
| | | | <u>19,021,817</u> | <u>19,172,382</u> |
| 24 | Deduct: | | | |
| 25 | Depreciation - tax basis | | 18,972,156 | 18,972,156 |
| 26 | Balance | | 3,834,244 | 3,984,809 |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - |
| 28 | Less: Programmed maintenance expense | | - | - |
| 29 | Less: Deferred security costs | | - | - |
| 30 | Less: Property losses | | - | - |
| 31 | Less: Pension ERISA | | - | - |
| 32 | Taxable income | | <u>\$ 3,834,244</u> | <u>\$ 3,984,809</u> |
| 33 | <u>Tax Calculation</u> | | | |
| 34 | Taxable income for state income tax | | | \$ 3,984,809 |
| 35 | State income tax at 58.48% of 7.3%** | | | <u>170,000</u> |
| 36 | Subtotal | | | 170,000 |
| 37 | Less: Deferred State ITC | | | <u>-</u> |
| 38 | Federal income tax at 35% | | <u>\$ 1,342,000</u> | |
| 39 | Federal and state income tax | | <u>\$ 1,342,000</u> | <u>\$ 170,000</u> |

40 * Rate base x weighted cost of debt.

41 ** Developed by using a five year average of actual taxable income to stand-alone taxable income.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Chicago Metro - Water
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 3 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year Jun-2009 | Adjustment | | Present Rates |
|----------|---|-----------------------|---------------------|---------------------|---------------|
| 1 | Federal income tax | \$ 72,958 | | \$ 1,193,042 | \$ 1,266,000 |
| 2 | State income tax | \$ 10,452 | | \$ 150,548 | \$ 161,000 |
| 3 | | | at Present Rates | | |
| 4 | | | <u>Federal</u> | <u>State</u> | |
| 5 | Utility operating income | | \$ 5,505,557 | \$ 5,505,557 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 2,671,202 | 2,671,202 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | 1,266,000 | 1,266,000 | |
| 10 | State income tax | | | 161,000 | |
| 11 | Deferred federal income tax - accelerated depreciation | | 152,380 | 152,380 | |
| 12 | Deferred state income tax - accelerated depreciation | | 48,850 | 48,850 | |
| 13 | Deferred federal income tax - other | | 48,448 | 48,448 | |
| 14 | Deferred state income tax - other | | 6,245 | 6,245 | |
| 15 | Taxable meals and travel expenses | | 10,861 | 10,861 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (19,708) | (19,708) | |
| 19 | Amortization of state investment tax credit | | - | (3,691) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 4,597,807 | 4,597,807 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | <u>6,110,883</u> | <u>6,268,192</u> | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 5,328,580 | 5,328,580 | |
| 26 | Balance | | 3,616,658 | 3,773,967 | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| | | | <u>\$ 3,616,658</u> | <u>\$ 3,773,967</u> | |
| 32 | Taxable income | | | | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ 3,773,967 | |
| 35 | State income tax at 58.48% of 7.3%** | | | <u>161,000</u> | |
| 36 | Subtotal | | | 161,000 | |
| 37 | Less: Deferred State ITC | | | <u>-</u> | |
| 38 | Federal income tax at 35% | | <u>\$ 1,266,000</u> | | |
| 39 | Federal and state income tax | | <u>\$ 1,266,000</u> | <u>\$ 161,000</u> | |

40 * Rate base x weighted cost of debt.

41 ** Developed by using a five year average of actual taxable income to stand-alone taxable income.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Chicago Metro - Waste Water
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 4 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|-----------|------------------|--------------|---------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 35,835 | \$ 1,095,165 | | \$ 1,131,000 |
| 2 | State income tax | \$ 5,134 | \$ 138,866 | | \$ 144,000 |
| 3 | | | at Present Rates | | |
| 4 | | | <u>Federal</u> | <u>State</u> | |
| 5 | Utility operating income | | \$ 3,681,427 | \$ 3,681,427 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 1,260,632 | 1,260,632 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | 1,131,000 | 1,131,000 | |
| 10 | State income tax | | | 144,000 | |
| 11 | Deferred federal income tax - accelerated depreciation | | 96,654 | 96,654 | |
| 12 | Deferred state income tax - accelerated depreciation | | 30,986 | 30,986 | |
| 13 | Deferred federal income tax - other | | 23,796 | 23,796 | |
| 14 | Deferred state income tax - other | | 3,067 | 3,067 | |
| 15 | Taxable meals and travel expenses | | 114 | 114 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (9,680) | (9,680) | |
| 19 | Amortization of state investment tax credit | | - | (1,813) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 2,775,192 | 2,775,192 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 4,051,129 | 4,193,316 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 3,238,719 | 3,238,719 | |
| 26 | Balance | | 3,233,205 | 3,375,392 | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| | | | \$ 3,233,205 | \$ 3,375,392 | |
| 32 | Taxable income | | | | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ 3,375,392 | |
| 35 | State income tax at 58.48% of 7.3%** | | | 144,000 | |
| 36 | Subtotal | | | 144,000 | |
| 37 | Less: Deferred State ITC | | | - | |
| 38 | Federal income tax at 35% | | \$ 1,131,000 | | |
| 39 | Federal and state income tax | | \$ 1,131,000 | \$ 144,000 | |
| 40 | * Rate base x weighted cost of debt. | | | | |
| 41 | ** Developed by using a five year average of actual taxable income to stand-alone taxable income. | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Champaign
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 5 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|------------|------------------|----------------|----------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 128,868 | \$ (1,694,868) | | \$ (1,566,000) |
| 2 | State income tax | \$ 18,461 | \$ (218,461) | | \$ (200,000) |
| 3 | | | at Present Rates | | |
| 4 | | | Federal | State | |
| 5 | Utility operating income | | \$ 1,000,946 | \$ 1,000,946 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 3,296,085 | 3,296,085 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | (1,566,000) | (1,566,000) | |
| 10 | State income tax | | - | (200,000) | |
| 11 | Deferred federal income tax - accelerated depreciation | | - | - | |
| 12 | Deferred state income tax - accelerated depreciation | | - | - | |
| 13 | Deferred federal income tax - other | | 85,576 | 85,576 | |
| 14 | Deferred state income tax - other | | 11,030 | 11,030 | |
| 15 | Taxable meals and travel expenses | | 6,933 | 6,933 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (34,812) | (34,812) | |
| 19 | Amortization of state investment tax credit | | - | (6,519) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 4,713,435 | 4,713,435 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 3,216,162 | 3,009,643 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 5,396,480 | 5,396,480 | |
| 26 | Balance | | (4,475,457) | (4,681,976) | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| 32 | Taxable income | | \$ (4,475,457) | \$ (4,681,976) | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ (4,681,976) | |
| 35 | State income tax at 58.48% of 7.3%** | | | (200,000) | |
| 36 | Subtotal | | | (200,000) | |
| 37 | Less: Deferred State ITC | | | - | |
| 38 | Federal income tax at 35% | | \$ (1,566,000) | | |
| 39 | Federal and state income tax | | \$ (1,566,000) | \$ (200,000) | |
| 40 | * Rate base x weighted cost of debt. | | | | |
| 41 | ** Developed by using a five year average of actual taxable income to stand-alone taxable income. | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Sterling
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 6 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|-----------|------------------|------------|---------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 15,798 | \$ 36,202 | | \$ 52,000 |
| 2 | State income tax | \$ 2,263 | \$ 4,737 | | \$ 7,000 |
| 3 | | | at Present Rates | | |
| 4 | | | Federal | State | |
| 5 | Utility operating income | | \$ 596,193 | \$ 596,193 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 443,914 | 443,914 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | 52,000 | 52,000 | |
| 10 | State income tax | | - | 7,000 | |
| 11 | Deferred federal income tax - accelerated depreciation | | 18,363 | 18,363 | |
| 12 | Deferred state income tax - accelerated depreciation | | 5,887 | 5,887 | |
| 13 | Deferred federal income tax - other | | 10,491 | 10,491 | |
| 14 | Deferred state income tax - other | | 1,352 | 1,352 | |
| 15 | Taxable meals and travel expenses | | 902 | 902 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (4,268) | (4,268) | |
| 19 | Amortization of state investment tax credit | | - | (799) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 685,088 | 685,088 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 769,815 | 776,016 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 773,150 | 773,150 | |
| 26 | Balance | | 148,944 | 155,145 | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| 32 | Taxable income | | \$ 148,944 | \$ 155,145 | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ 155,145 | |
| 35 | State income tax at 58.48% of 7.3%** | | | 7,000 | |
| 36 | Subtotal | | | 7,000 | |
| 37 | Less: Deferred State ITC | | | - | |
| 38 | Federal income tax at 35% | | \$ 52,000 | | |
| 39 | Federal and state income tax | | \$ 52,000 | \$ 7,000 | |
| 40 | * Rate base x weighted cost of debt. | | | | |
| 41 | ** Developed by using a five year average of actual taxable income to stand-alone taxable income. | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Pekin
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 7 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|-----------|---------------------|---------------------|---------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 34,399 | \$ (85,399) | | \$ (51,000) |
| 2 | State income tax | \$ 4,928 | \$ (10,928) | | \$ (6,000) |
| 3 | | | at Present Rates | | |
| 4 | | | Federal | State | |
| 5 | Utility operating income | | \$ 488,585 | \$ 488,585 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 522,599 | 522,599 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | (51,000) | (51,000) | |
| 10 | State income tax | | - | (6,000) | |
| 11 | Deferred federal income tax - accelerated depreciation | | 22,166 | 22,166 | |
| 12 | Deferred state income tax - accelerated depreciation | | 7,106 | 7,106 | |
| 13 | Deferred federal income tax - other | | 22,843 | 22,843 | |
| 14 | Deferred state income tax - other | | 2,944 | 2,944 | |
| 15 | Taxable meals and travel expenses | | 1,246 | 1,246 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (9,292) | (9,292) | |
| 19 | Amortization of state investment tax credit | | - | (1,740) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 1,038,379 | 1,038,379 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 1,034,392 | 1,026,652 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 1,144,679 | 1,144,679 | |
| 26 | Balance | | (144,301) | (152,041) | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| 32 | Taxable income | | <u>\$ (144,301)</u> | <u>\$ (152,041)</u> | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ (152,041) | |
| 35 | State income tax at 58.48% of 7.3%** | | | <u>(6,000)</u> | |
| 36 | Subtotal | | | (6,000) | |
| 37 | Less: Deferred State ITC | | | <u>-</u> | |
| 38 | Federal income tax at 35% | | <u>\$ (51,000)</u> | | |
| 39 | Federal and state income tax | | <u>\$ (51,000)</u> | <u>\$ (6,000)</u> | |

40 * Rate base x weighted cost of debt.

41 ** Developed by using a five year average of actual taxable income to stand-alone taxable income.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Calculation of Federal and State Income Taxes at Present Rates
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Lincoln
Workpaper Reference: WP-C-2.5

Section 285.3035
Schedule C-5 First Revised
Page 8 of 8
Witness Responsible: Ed Grubb

| Line No. | Description | Test Year | Adjustment | | Present Rates |
|----------|---|-----------|------------------|------------|---------------|
| | | Jun-2009 | | | |
| 1 | Federal income tax | \$ 13,963 | \$ 99,037 | | \$ 113,000 |
| 2 | State income tax | \$ 2,000 | \$ 12,000 | | \$ 14,000 |
| 3 | | | at Present Rates | | |
| 4 | | | Federal | State | |
| 5 | Utility operating income | | \$ 530,423 | \$ 530,423 | |
| 6 | Deduct: | | | | |
| 7 | Interest costs* | | 277,279 | 277,279 | |
| 8 | Add: | | | | |
| 9 | Federal income tax | | 113,000 | 113,000 | |
| 10 | State income tax | | - | 14,000 | |
| 11 | Deferred federal income tax - accelerated depreciation | | 14,244 | 14,244 | |
| 12 | Deferred state income tax - accelerated depreciation | | 4,566 | 4,566 | |
| 13 | Deferred federal income tax - other | | 9,272 | 9,272 | |
| 14 | Deferred state income tax - other | | 1,195 | 1,195 | |
| 15 | Taxable meals and travel expenses | | 439 | 439 | |
| 16 | Pension expense - FAS 87 | | - | - | |
| 17 | Amortization of programmed maintenance expense | | - | - | |
| 18 | Amortization of investment tax credit | | (3,772) | (3,772) | |
| 19 | Amortization of state investment tax credit | | - | (706) | |
| 20 | Amortization of AFUDC Reg Asset Def Security, Streator Def R/O | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| 21 | Depreciation - book basis | | 691,794 | 691,794 | |
| 22 | Deferred State ITC | | - | - | |
| 23 | Amortization of regulatory expense | | - | - | |
| | xxxxxxxxxxxxxx | | - | - | |
| | | | 830,738 | 844,032 | |
| 24 | Deduct: | | | | |
| 25 | Depreciation - tax basis | | 760,105 | 760,105 | |
| 26 | Balance | | 323,777 | 337,071 | |
| 27 | Less: Cost of Removal and proceeds adjustment for ADR/ACRS/MACRS property | | - | - | |
| 28 | Less: Programmed maintenance expense | | - | - | |
| 29 | Less: Deferred security costs | | - | - | |
| 30 | Less: Property losses | | - | - | |
| 31 | Less: Pension ERISA | | - | - | |
| 32 | Taxable income | | \$ 323,777 | \$ 337,071 | |
| 33 | <u>Tax Calculation</u> | | | | |
| 34 | Taxable income for state income tax | | | \$ 337,071 | |
| 35 | State income tax at 58.48% of 7.3%** | | | 14,000 | |
| 36 | Subtotal | | | 14,000 | |
| 37 | Less: Deferred State ITC | | | - | |
| 38 | Federal income tax at 35% | | \$ 113,000 | | |
| 39 | Federal and state income tax | | \$ 113,000 | \$ 14,000 | |

40 * Rate base x weighted cost of debt.
41 ** Developed by using a five year average of actual taxable income to stand-alone taxable income.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Deferred Income Tax Expense
Period Reported: July 2008 through June 2009

Section 285.3045
Schedule C-5.2 First Revised
Page 1 of 1
Witness Responsible: Ed Grubb

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Description | (1) Balance Jun-2008 | Balance Jun-2009 | Current Year Activity Jun-2009 | State Taxes 7.30% | Federal Taxes 35.00% |
|----------|---|----------------------------|---------------------|--------------------------------------|----------------------|-------------------------|
| 1 | Tax over Book | | | \$ 4,225,812 | \$ 308,484 | \$ 1,371,065 |
| 2 | | | | | | |
| 3 | Deferred Tax Expense | | | | \$ 308,484 | \$ 1,371,065 |
| 4 | | | | | | |
| 5 | Amortization of Investment Tax Credits | | | | (34,703) | (185,309) |
| 6 | | | | | | |
| 7 | Deferred Tax - Amtz of Regulatory Asset/Liabilities | | | | 32,716 | (34,370) |
| 8 | | | | | | |
| 9 | Total Deferred Tax Expense | | | | 306,497 | 1,151,386 |
| 10 | | | | | | |
| 11 | Amount Per Projection | | | | 24,012 | 270,226 |
| 12 | | | | | | |
| 13 | Deferred Tax Adjustment | | | | <u>\$ 282,485</u> | <u>\$ 881,160</u> |
| 14 | | | | | | |
| 15 | (1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data. | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Differences Between Book and Tax Depreciation
Period Reported: July 2008 through June 2009

Section 285.3050
Schedule C-5.3 First Revised
Page 1 of 1
Witness Responsible: Ed Grubb

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Description | | Amount |
|----------|---|-------------|----------------------------|
| 1 | Tax Depreciation | (A) | \$ 35,613,871 |
| 2 | Book Depreciation | (B) | <u>31,388,059</u> |
| 3 | Tax Depreciation in Excess of Book | (A - B) = C | <u>4,225,812</u> |
| 4 | | | |
| 5 | | | |
| 6 | Total Tax / Book Depreciation Timing Differences | (C) | 4,225,812 |
| 7 | | | |
| 8 | State Income Tax Rate | (D) | <u>7.30%</u> |
| 9 | | | |
| 10 | Attributable Deferred SIT Expense | (C * D) = E | <u><u>308,484</u></u> |
| 11 | | | |
| 12 | Total Tax / Book Depreciation Timing Differences - DFIT | (C - E) = F | 3,917,328 |
| 13 | | | |
| 14 | Federal Income Tax Rate | (G) | <u>35%</u> |
| 15 | | | |
| 16 | Attributable Deferred FIT Expense | (F * G) = H | <u><u>\$ 1,371,065</u></u> |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Interest Synchronization
Period Reported: July 2008 through June 2009

Section 285.3055
Schedule C-5.4 First Revised
Page 1 of 1
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | District | Rate Base | Weighted Cost of Debt | Interest Expense |
|----------|---|----------------|-----------------------|------------------|
| 1 | Total Company | \$ 549,796,183 | 3.26% | \$ 17,923,356 |
| 2 | Southern/Peoria/Streator/Pontiac/South Belo | 289,927,748 | 3.26% | 9,451,645 |
| 3 | Chicago Metro - Water | 81,938,720 | 3.26% | 2,671,202 |
| 4 | Chicago Metro - Waste Water | 38,669,681 | 3.26% | 1,260,632 |
| 5 | Champaign | 101,106,905 | 3.26% | 3,296,085 |
| 6 | Sterling | 13,617,006 | 3.26% | 443,914 |
| 7 | Pekin | 16,030,644 | 3.26% | 522,599 |
| 8 | Lincoln | 8,505,479 | 3.26% | 277,279 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Civil, Political, and Related Activities
Period Reported: July 2005 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3080
Schedule C-9 First Revised
Page 1 of 1
Witness Responsible: Scott Rungren

| Line No. | Account Number | Account Description | Purpose and Nature of Recipient | Historical Year Jun-2007 | (1) Current Year Jun-2008 | Projected Year Jun-2009 | Test Year Jurisdictional Pro Forma at Proposed Rates Jun-2009 |
|----------|----------------|---------------------|---|-----------------------------|---------------------------------|----------------------------|---|
| 1 | 575560 | Lobbying Expense | Governmental Relations Services | \$ 76,999 | \$ 59,143 | \$ 57,499 | \$ 57,499 |
| 2 | | | | | | | |
| 3 | 575560 | Lobbying Expense | Secretary of State Lobbying Registration Fees; Fletcher Topol O'Brien and Kasper; Reflects all lobbyists working on behalf of Illinois-American | 50,722 | 38,960 | 37,877 | 37,877 |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | 575560 | Various (2) | | 3,627 | 2,782 | 2,705 | 2,705 |
| 8 | | | | | | | |
| 9 | | Total | | <u>\$ 131,347</u> | <u>\$ 100,885</u> | <u>\$ 98,080</u> | <u>\$ 98,080</u> |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.
(2) Items under \$5,000 provided in aggregate.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Rate Case Expense Comparisons
Period Reported: July 2008 through June 2009

Section 285.3090
Schedule C-10.1 First Revised
Page 1 of 1
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Outside consultant, witness, legal | Actual Prior Docket No. 02-0690 | Estimated Current Case | Percent (inc/decr) |
|----------|------------------------------------|---------------------------------------|------------------------------|--------------------|
| 1 | a Legal Fees and Expenses | \$ 357,876 | \$ 650,000 | 82% |
| 2 | b Revenue Requirement | 198,217 | 347,140 | 75% |
| 3 | c CPA Review | 61,194 | 25,000 | -59% |
| 4 | d Rate of Return Consultant | 40,475 | 49,080 | 21% |
| 5 | e Demand Study | - | 39,280 | 0% |
| 6 | f Municipal Rate Study | - | 37,000 | 0% |
| 7 | g Other | 10,032 | 200,000 | 1894% |
| 8 | h Depreciation study | 1,037 | 134,520 | 12874% |
| 9 | Total | | | |
| 10 | | | | |
| 11 | Total | \$ 668,831 | \$ 1,482,020 | 122% |

Footnote of 122% increase over previous case

- a Company anticipates additional legal fees due to complexity of issues
- b Service company charges included in this line item. Service company involvement in preparing rate filing schedules and providing information has increased due to organization change in 2004.
- c Used local CPA firm that quoted a lower price than previous firm
- e Demand Study not performed in last rate case
- f Municipal rate study not performed in last rate case
- g Additional communication and customer noticing of customers will be needed to explain increase to customers.
- h Full Depreciation Study not performed in last rate case

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Direct Payroll By Function
Period Reported: July 2005 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3105
Schedule C-11.1 First Revised
Page 1 of 1
Witness Responsible: Scott Rungren

| Line No. | Major Account Grouping | Historical Year Jun-2006 | Historical Year Jun-2007 | Current Year Jun-2008 | Test Year Jun-2009 |
|----------|---------------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------|
| 1 | Source of Supply | \$ 6,405,934 | \$ 6,445,677 | \$ 6,522,203 | \$ 6,861,475 |
| 2 | | | | | |
| 3 | Water Treatment | 440,035 | 515,232 | 521,807 | 553,181 |
| 4 | | | | | |
| 5 | Transmission & Distribution | 8,981,797 | 10,725,089 | 11,166,058 | 11,967,662 |
| 6 | | | | | |
| 7 | Customer Accounts | 99,112 | - | - | - |
| 8 | | | | | |
| 9 | Administrative and General | 2,177,113 | 2,265,924 | 2,844,909 | 2,942,720 |
| 10 | | | | | |
| 11 | Sales | - | - | - | - |
| 12 | | | | | |
| 13 | Total payroll charged to expense | 18,103,991 | 19,951,922 | 21,054,977 | 22,325,038 |
| 14 | | | | | |
| 15 | Total payroll charged to construction | 2,175,711 | 2,414,383 | 3,248,497 | 3,440,635 |
| 16 | | | | | |
| 17 | Total payroll | <u>\$ 20,279,702</u> | <u>\$ 22,366,305</u> | <u>\$ 24,303,474</u> | <u>\$ 25,765,673</u> |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Employee Benefits
Period Reported: July 2005 through June 2009

Section 285.3135
Schedule C-11.3 First Revised
Page 1 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Benefit | Available to Employees | Benefit Cost | Benefit Expensed | Percent Expensed | Benefit Capitalized | Percent Capitalized |
|-----------------------------|--|------------------------|---------------------|---------------------|------------------|---------------------|---------------------|
| Year ended June 2006 | | | | | | | |
| 1 | 401k/DCP/Reiree Medical | ALL or Some Union * | \$ 422,028 | \$ 363,517 | 86.1% | \$ 58,511 | 13.9% |
| 2 | Pension | ALL | 3,412,340 | 2,857,868 | 83.8% | 554,472 | 16.2% |
| 3 | OPEB | ALL | 2,509,706 | 2,095,885 | 83.5% | 413,821 | 16.5% |
| 4 | Group Insurance | ALL | 3,532,441 | 2,868,437 | 81.2% | 664,004 | 18.8% |
| 5 | Relocation Expense | Some Non-Union | (463) | (463) | 100.0% | - | 0.0% |
| 6 | Tuition Aid | ALL | (196) | (196) | 100.0% | - | 0.0% |
| 7 | | | | | | | |
| 8 | Total | | <u>\$ 9,875,855</u> | <u>\$ 8,185,048</u> | <u>82.9%</u> | <u>\$ 1,690,807</u> | <u>17.1%</u> |
| 9 | | | | | | | |
| 10 | * 401k offered to all employees | | | | | | |
| 11 | DCP offered to all employees hired after 01/01/06 | | | | | | |
| 12 | Retiree Medical only available to some union employees | | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Employee Benefits
Period Reported: July 2005 through June 2009

Section 285.3135
Schedule C-11.3 First Revised
Page 2 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Benefit | Available to Employees | Benefit Cost | Benefit Expensed | Percent | Benefit Capitalized | Percent |
|-----------------------------|-------------------------|------------------------|---------------------|---------------------|--------------|---------------------|--------------|
| Year ended June 2007 | | | | | | | |
| 1 | 401k/DCP/Reiree Medical | ALL or Some Union * | \$ 503,001 | \$ 618,929 | 123.0% | \$ (115,928) | -23.0% |
| 2 | Pension | ALL | 2,579,478 | 2,095,547 | 81.2% | 483,931 | 18.8% |
| 3 | OPEB | ALL | 1,975,154 | 1,674,032 | 84.8% | 301,122 | 15.2% |
| 4 | Group Insurance | ALL | 4,182,387 | 3,446,613 | 82.4% | 735,774 | 17.6% |
| 5 | Relocation Expense | Some Non-Union | 22,222 | 22,222 | 100.0% | - | 0.0% |
| 6 | Tuition Aid | ALL | 720 | 720 | 100.0% | - | 0.0% |
| 7 | | | | | | | |
| 8 | Total | | <u>\$ 9,262,962</u> | <u>\$ 7,858,063</u> | <u>84.8%</u> | <u>\$ 1,404,899</u> | <u>15.2%</u> |

- 10 * 401k offered to all employees
- 11 DCP offered to all employees hired after 01/01/06
- 12 Retiree Medical only available to some union employees

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Employee Benefits
Period Reported: July 2005 through June 2009

Section 285.3135
Schedule C-11.3 First Revised
Page 3 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Benefit | Available to Employees | Benefit Cost | Benefit Expensed | Percent | Benefit Capitalized | Percent |
|------------------------------|--|------------------------|----------------------|---------------------|--------------|---------------------|--------------|
| Year ending June 2008 | | | | | | | |
| 1 | 401k/DCP/Reiree Medical | ALL or Some Union * | \$ 491,936 | \$ 418,635 | 85.1% | \$ 73,301 | 14.9% |
| 2 | Pension | ALL | 2,273,768 | 1,900,870 | 83.6% | 372,898 | 16.4% |
| 3 | OPEB | ALL | 1,880,173 | 1,571,825 | 83.6% | 308,348 | 16.4% |
| 4 | Group Insurance | ALL | 5,492,862 | 4,614,004 | 84.0% | 878,858 | 16.0% |
| 5 | Relocation Expense | Some Non-Union | 66,666 | 66,666 | 100.0% | - | 0.0% |
| 6 | Tuition Aid | ALL | 6,259 | 6,259 | 100.0% | - | 0.0% |
| 7 | | | | | | | |
| 8 | Total | | <u>\$ 10,211,663</u> | <u>\$ 8,578,259</u> | <u>84.0%</u> | <u>\$ 1,633,405</u> | <u>16.0%</u> |
| 9 | | | | | | | |
| 10 | * 401k offered to all employees | | | | | | |
| 11 | DCP offered to all employees hired after 01/01/06 | | | | | | |
| 12 | Retiree Medical only available to some union employees | | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Employee Benefits
Period Reported: July 2005 through June 2009

Section 285.3135
Schedule C-11.3 First Revised
Page 4 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Benefit | Available to Employees | Benefit Cost | Benefit Expensed | Percent | Benefit Capitalized | Percent |
|------------------------------|--|------------------------|----------------------|---------------------|--------------|---------------------|--------------|
| Year ending June 2009 | | | | | | | |
| 1 | 401k/DCP/Reiree Medical | ALL or Some Union * | \$ 529,074 | \$ 442,817 | 83.7% | \$ 86,257 | 16.3% |
| 2 | Pension | ALL | 1,987,650 | 1,661,675 | 83.6% | 325,975 | 16.4% |
| 3 | OPEB | ALL | 1,907,200 | 1,594,419 | 83.6% | 312,781 | 16.4% |
| 4 | Group Insurance | ALL | 6,049,611 | 5,057,057 | 83.6% | 992,554 | 16.4% |
| 5 | Relocation Expense | Some Non-Union | 134,999 | 134,999 | 100.0% | - | 0.0% |
| 6 | Tuition Aid | ALL | 15,433 | 15,433 | 100.0% | - | 0.0% |
| 7 | | | | | | | |
| 8 | Total | | <u>\$ 10,623,966</u> | <u>\$ 8,906,400</u> | <u>83.8%</u> | <u>\$ 1,717,566</u> | <u>16.2%</u> |
| 9 | | | | | | | |
| 10 | * 401k offered to all employees | | | | | | |
| 11 | DCP offered to all employees hired after 01/01/06 | | | | | | |
| 12 | Retiree Medical only available to some union employees | | | | | | |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 2 of 16
Witness Responsible:

Exhibit No. 17.00
Total Company - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | | | | (1) | | | | | | | | |
|----------|---------------|---------------------------------------|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | General Plant | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | 461,696 | 0.00% | - | 463,721 | 0.00% | - | 465,746 | 0.00% | - | 465,746 | 0.00% | - |
| 3 | 304500 | Structures and Improvements - AG | 670,886 | 2.78% | 18,639 | 707,441 | 2.78% | 19,683 | 737,827 | 2.78% | 20,512 | 737,827 | 2.96% | 21,840 |
| 4 | 304600 | Office Structures | 5,318,317 | 2.78% | 147,794 | 5,409,294 | -5.77% | (311,971) | 5,522,162 | 2.78% | 153,540 | 5,524,019 | 3.15% | 174,007 |
| 5 | 304700 | Stores, Shop, and Garage Structures | 3,028,970 | 3.11% | 94,222 | 2,974,978 | 2.66% | 79,193 | 2,909,987 | 3.11% | 90,501 | 2,909,987 | 2.06% | 59,946 |
| 6 | 304800 | Miscellaneous Structures | 448,062 | 2.15% | 9,655 | 487,512 | 0.70% | 3,397 | 518,237 | 2.15% | 11,142 | 518,237 | 5.27% | 27,311 |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | 68,370 | 0.75% | 513 | 136,740 | 0.00% | - | 136,740 | 0.00% | - |
| 8 | 340100 | Office Furniture | 2,286,127 | 4.46% | 101,947 | 2,302,327 | 4.46% | 102,583 | 2,372,795 | 4.46% | 105,722 | 2,548,408 | 3.58% | 91,182 |
| 9 | 340200 | Computer & Peripheral | 2,941,798 | 10.31% | 303,330 | 3,730,850 | 10.22% | 381,206 | 4,478,970 | 10.04% | 449,768 | 5,371,325 | 14.28% | 767,060 |
| 10 | 340210 | Personal Computers | 808,507 | 11.23% | 90,759 | 816,940 | 11.22% | 91,634 | 825,371 | 11.23% | 92,689 | 825,371 | 16.55% | 136,599 |
| 11 | 340220 | Computer Periph Personal | 61 | 0.00% | - | 121 | 0.00% | - | 121 | 0.47% | 1 | 121 | 0.00% | - |
| 12 | 340300 | Computer Software | 10,516,806 | 11.69% | 1,229,625 | 11,326,787 | 14.05% | 1,591,264 | 11,341,584 | 22.45% | 2,546,186 | 11,341,585 | 16.56% | 1,878,167 |
| 13 | 340320 | Personal Computer Software | 223,429 | 22.44% | 50,139 | 223,427 | 22.44% | 50,144 | 223,427 | 22.45% | 50,159 | 223,427 | 14.27% | 31,883 |
| 14 | 340400 | Data Handling Equipment | 520,877 | 10.86% | 56,577 | 695,603 | 10.38% | 72,194 | 1,121,379 | 10.45% | 117,208 | 1,245,752 | 5.59% | 69,638 |
| 15 | 340500 | Other Office Equipment | 1,043,483 | 10.38% | 108,287 | 1,057,817 | 10.35% | 109,450 | 1,063,927 | 10.34% | 110,010 | 1,063,927 | 5.59% | 59,474 |
| 16 | 341001 | Transportation Equip Not Classified | 876,909 | 0.82% | 7,231 | 852,026 | 0.85% | 7,277 | 789,702 | 0.82% | 6,476 | 789,702 | 3.65% | 28,824 |
| 17 | 341100 | Light Duty Trucks | 5,057,301 | 11.18% | 565,590 | 5,311,296 | 11.45% | 608,402 | 6,141,325 | 11.10% | 681,894 | 7,414,384 | 3.36% | 249,154 |
| 18 | 341200 | Heavy Duty Trucks | 1,683,655 | 7.55% | 127,119 | 2,626,912 | 8.07% | 211,869 | 3,482,612 | 7.36% | 256,311 | 3,799,847 | 3.97% | 150,843 |
| 19 | 341300 | Automobiles | 971,940 | 0.00% | - | 1,663,686 | 3.48% | 57,910 | 2,225,520 | 0.00% | - | 2,397,734 | 4.75% | 113,849 |
| 20 | 341400 | Trans. Equipment - Other | 43,658 | 0.81% | 353 | 96,166 | 0.84% | 812 | 147,763 | 0.83% | 1,226 | 147,763 | 2.94% | 4,344 |
| 21 | 342000 | Stores Equipment | 209,188 | 4.58% | 9,577 | 199,683 | 5.00% | 9,980 | 190,176 | 4.58% | 8,710 | 190,176 | 2.45% | 4,659 |
| 22 | 343000 | Tools/Shop/Garage Equipment | 4,406,802 | 3.11% | 136,931 | 5,062,346 | 0.17% | 8,439 | 6,421,929 | 3.07% | 197,034 | 7,249,702 | 2.54% | 184,194 |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | 95,281 | 3.24% | 3,088 | 189,776 | 3.07% | 5,824 | 203,860 | 3.06% | 6,238 | 203,860 | 2.54% | 5,178 |
| 24 | 344000 | Laboratory Equipment | 1,262,235 | 4.73% | 59,736 | 1,393,373 | 4.56% | 63,529 | 1,409,508 | 4.65% | 65,542 | 1,470,194 | 3.85% | 56,616 |
| 25 | 345000 | Power Oper. Equipment | 3,084,946 | 7.07% | 217,973 | 3,416,227 | 7.32% | 250,025 | 3,602,953 | 6.98% | 251,316 | 3,597,637 | 6.45% | 232,048 |
| 26 | 346001 | Comm. Equipment Conversion | 6,745,620 | 4.91% | 331,425 | 6,958,598 | 4.77% | 331,870 | 7,346,036 | 4.79% | 351,765 | 7,480,635 | 6.04% | 451,869 |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | 90,618 | 4.81% | 4,355 | 162,322 | 4.98% | 8,077 | 252,649 | 4.71% | 11,894 | 558,607 | 6.05% | 33,801 |
| 28 | 346190 | Remote Control & Instrument | 6,296 | 4.85% | 305 | 44,834 | 1.76% | 788 | 77,246 | 4.78% | 3,692 | 77,246 | 6.04% | 4,666 |
| 29 | 346200 | Comm. Equipment Telephone | 110,667 | 6.00% | 6,635 | 196,735 | 4.80% | 9,446 | 202,937 | 4.78% | 9,700 | 202,937 | 6.04% | 12,257 |
| 30 | 347000 | Miscellaneous Equipment | 1,129,875 | 2.43% | 27,442 | 1,203,741 | 2.14% | 25,782 | 1,224,563 | 2.39% | 29,267 | 1,224,563 | 2.51% | 30,737 |
| 31 | 102.1 | FAS 109 - AFUDC Debt | 43,845 | 0.00% | - | 43,845 | 0.00% | - | 1 | 0.00% | - | 1 | 0.00% | - |
| 32 | | Completed Construction not Classified | 1,832,558 | 0.00% | - | 1,832,558 | 0.57% | 10,529 | 1,832,558 | 0.00% | - | 1,832,558 | 0.00% | - |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 3 of 16

Exhibit No. 17.00
Total Company - Continued
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | Sewer | Intangible Plant | | | | | | | | | | | | |
| 2 | 351000 | Organization | 361,048 | 0.00% | - | 361,048 | 0.00% | - | 361,048 | 0.00% | - | 361,048 | 0.00% | - |
| 3 | 352000 | Franchises | 580,949 | 0.00% | - | 580,949 | 0.00% | - | 580,949 | 0.00% | - | 580,949 | 0.00% | - |
| 4 | 352200 | Other Intangible Plt | 110 | 0.00% | - | 110 | 0.00% | - | 1,728 | 0.00% | - | 1,863 | 0.00% | - |
| 5 | 389100 | Other Plant and Misc Equipment | 395,641 | 2.27% | 8,973 | 397,609 | 2.26% | 8,984 | 397,609 | 2.27% | 9,026 | 397,609 | 0.00% | - |
| 6 | | Collection Plant | | | | | | | | | | | | |
| 7 | 353200 | Land and Land Rights - Coll | 269,604 | 0.00% | - | 269,604 | 0.00% | - | 269,604 | 0.00% | - | 269,604 | 0.00% | - |
| 8 | 354200 | Structures and Improvements - Coll | 4,713,372 | 2.25% | 106,232 | 4,704,036 | 2.26% | 106,289 | 4,705,371 | 2.25% | 105,871 | 4,705,371 | 1.93% | 90,814 |
| 9 | 360000 | Collection Sewers Forced | 3,679,214 | 3.33% | 122,339 | 3,928,152 | 3.29% | 129,332 | 3,949,243 | 3.33% | 131,510 | 3,949,243 | 2.59% | 102,285 |
| 10 | 361100 | Collecting Mains | 48,142,797 | 3.34% | 1,606,746 | 49,606,512 | 3.33% | 1,651,433 | 52,267,824 | 3.34% | 1,746,866 | 55,970,255 | 2.38% | 1,333,522 |
| 11 | 363000 | Services Sewer | 8,212,620 | 3.47% | 285,254 | 8,583,803 | 3.46% | 297,045 | 8,767,480 | 3.47% | 304,188 | 8,958,163 | 2.69% | 240,980 |
| 12 | | System Pumping Plant | | | | | | | | | | | | |
| 13 | 354300 | Structures and Improvements - SPP | 14,410 | 5.74% | 827 | 51,123 | 6.66% | 3,407 | 87,836 | 5.74% | 5,042 | 87,836 | 2.93% | 2,574 |
| 14 | 371100 | Pumping Equipment - Electrical | 1,137,855 | 5.22% | 59,426 | 2,167,897 | 5.49% | 118,955 | 2,557,678 | 5.22% | 133,511 | 2,557,678 | 5.25% | 134,278 |
| 15 | 371200 | Pumping Equipment - Other | 206,746 | 5.36% | 9,493 | 206,746 | 5.23% | 10,813 | 210,659 | 5.36% | 11,291 | 210,659 | 5.40% | 11,376 |
| 16 | | Treatment and Disposal Plant | | | | | | | | | | | | |
| 17 | 354400 | Structures and Improvements - TDP | 12,732,788 | 5.74% | 730,642 | 12,732,788 | 5.74% | 730,677 | 13,413,690 | 5.62% | 753,977 | 20,907,080 | 4.97% | 1,039,079 |
| 18 | 380000 | Treatment & Disposal Equipment | 373,114 | 3.92% | 14,630 | 371,593 | 3.91% | 14,532 | 369,257 | 3.92% | 14,475 | 369,257 | 6.57% | 24,260 |
| 19 | 380050 | T & D Equip Grit Removal | 411,339 | 3.92% | 16,120 | 411,339 | 3.92% | 16,120 | 411,339 | 3.92% | 16,124 | 411,339 | 10.26% | 42,203 |
| 20 | 380100 | T & D Equip Sed Tanks | 4,649,885 | 6.65% | 309,370 | 4,722,365 | 6.66% | 314,609 | 4,772,841 | 6.65% | 317,394 | 4,772,841 | 8.40% | 400,919 |
| 21 | 380250 | T & D Equip Sldge Dig Trnk | 5,857 | 4.34% | 254 | 5,857 | 4.34% | 254 | 5,857 | 4.34% | 254 | 5,857 | 9.26% | 542 |
| 22 | 380300 | T & D Equip Sldge Dry/Filt | 1,640,328 | 5.23% | 85,764 | 1,640,328 | 5.23% | 85,765 | 1,640,328 | 5.23% | 85,789 | 1,640,328 | 15.75% | 258,352 |
| 23 | 380350 | T & D Equip Sec Trmt Filt | 1,819,691 | 3.60% | 65,493 | 1,830,813 | 3.62% | 66,213 | 1,839,871 | 3.60% | 66,235 | 1,839,871 | 10.73% | 197,418 |
| 24 | 380400 | T & D Equip Aux Effl Trmt | 1,723,590 | 5.32% | 91,652 | 1,744,253 | 5.30% | 92,421 | 1,744,861 | 5.32% | 92,827 | 1,744,861 | 7.39% | 128,945 |
| 25 | 380500 | T & D Equip Chem Trmt Plt | 654,636 | 3.33% | 21,793 | 654,636 | 3.33% | 21,793 | 654,636 | 3.33% | 21,799 | 654,636 | 20.37% | 133,349 |
| 26 | 380600 | T & D Equip Oth Disp | 1,227,737 | 3.78% | 46,363 | 1,727,138 | 3.82% | 65,943 | 1,712,038 | 3.78% | 64,715 | 1,712,038 | 11.42% | 195,515 |
| 27 | 380650 | T & D Equip Influent Lift | 1,716,021 | 3.03% | 51,967 | 1,900,484 | 2.95% | 56,049 | 1,900,485 | 3.03% | 57,585 | 1,900,485 | 7.35% | 139,686 |
| 28 | 382000 | Outfall Sewer Lines | 869,183 | 4.37% | 37,942 | 900,802 | 4.34% | 39,084 | 900,802 | 4.37% | 39,365 | 900,802 | 1.66% | 14,953 |
| 29 | | Reclaimed Treatment Plant | | | | | | | | | | | | |
| 30 | 353500 | Land and Land Rights - RTP | 40,951 | 0.00% | - | 40,951 | 0.00% | - | 40,951 | 0.00% | - | 40,951 | 0.00% | - |
| 31 | 354500 | Structures and Improvements - RTP | 2,471,423 | 4.32% | 106,692 | 2,458,078 | 4.30% | 105,677 | 2,426,825 | 4.32% | 104,839 | 2,426,825 | 3.09% | 74,989 |
| 32 | | General Plant | | | | | | | | | | | | |
| 33 | 390000 | Office Furniture | 142,544 | 3.67% | 5,229 | 142,494 | 3.67% | 5,228 | 142,494 | 3.67% | 5,230 | 142,494 | 14.48% | 20,633 |
| 34 | 391000 | Transportation Equipment | 111,608 | 24.99% | 27,894 | 111,608 | 24.99% | 27,894 | 400,434 | 25.38% | 101,630 | 627,480 | 0.00% | - |
| 35 | 392000 | Stores Equipment | 10,989 | 5.80% | 637 | 10,989 | 5.80% | 637 | 10,989 | 5.80% | 637 | 10,989 | 5.64% | 620 |
| 36 | 393000 | Tools/Shop/Garage Equipment | 200,153 | 4.16% | 8,325 | 215,539 | 4.18% | 9,006 | 209,826 | 4.13% | 8,668 | 248,264 | 4.82% | 11,974 |
| 37 | 394000 | Laboratory Equipment | 119,450 | 5.80% | 6,926 | 131,272 | 5.33% | 7,003 | 143,093 | 5.80% | 8,299 | 143,093 | 7.46% | 10,675 |
| 38 | 395000 | Power Operated Equipment | 243,215 | 6.20% | 15,077 | 204,748 | 5.42% | 11,097 | 166,178 | 6.20% | 10,303 | 166,178 | 16.40% | 27,253 |
| 39 | 396000 | Communications Equipment | 135,597 | 4.37% | 5,924 | 135,597 | 4.37% | 5,924 | 135,597 | 4.37% | 5,924 | 135,597 | 7.71% | 10,455 |
| 40 | 397000 | Misc. Equipment | 68,834 | 3.78% | 2,602 | 68,891 | 3.78% | 2,604 | 68,891 | 3.78% | 2,604 | 68,891 | 9.60% | 6,614 |
| 41 | | | | | | | | | | | | | | |
| 42 | | Total Average Utility Plant in Service | <u>\$ 875,312,665</u> | | <u>34,456,139</u> | <u>\$ 926,645,140</u> | | <u>36,377,157</u> | <u>\$ 995,370,817</u> | | <u>40,349,577</u> | <u>\$ 1,089,588,141</u> | | <u>35,079,776</u> |
| 43 | | | | | | | | | | | | | | |
| 44 | | Depreciation on Contributed Property | | | <u>(3,772,174)</u> | | | <u>(3,845,258)</u> | | | <u>(3,822,311)</u> | | <u>(3,691,716)</u> | |
| 45 | | | | | | | | | | | | | | |
| 46 | | Total Depreciation Expense | | | <u>\$ 30,683,965</u> | | | <u>\$ 32,531,898</u> | | | <u>\$ 36,527,267</u> | | <u>\$ 31,388,060</u> | |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 4 of 14

Exhibit No. 17.00
Southern/Peoria/Pontiac/Streator/South Beloit
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Object Number | Account Description | | | | (1) | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | Intangible Plant | | | | | | | | | | | | |
| 2 | 301000 | Organization | \$ 78,840 | 0.00% | \$ - | \$ 78,840 | 0.00% | \$ - | \$ 78,840 | 0.00% | \$ - | \$ 78,840 | 0.00% | \$ - |
| 3 | 302000 | Franchises | 768 | 0.00% | - | 768 | 0.00% | - | 768 | 0.00% | - | 768 | 0.00% | - |
| 4 | 339600 | Other P/E - Comp. Planning | 65,023 | 20.00% | 13,005 | 64,873 | 21.45% | 13,914 | 333,640 | 0.00% | - | 358,347 | 0.00% | - |
| 5 | | Source of Supply Plant | | | | | | | | | | | | |
| 6 | 303200 | Land and Land Rights - Source of Supply | 817,793 | 0.00% | - | 817,792 | 0.00% | - | 817,792 | 0.00% | - | 817,792 | 0.00% | - |
| 7 | 304100 | Structures and Improvements - SS | 7,206,693 | 2.93% | 211,328 | 7,254,708 | 2.92% | 212,079 | 7,330,094 | 2.92% | 214,039 | 7,330,094 | 2.81% | 205,976 |
| 8 | 305000 | Collecting and Impounding | 1,956,311 | 2.48% | 48,497 | 1,956,311 | 2.48% | 48,488 | 1,956,311 | 2.48% | 48,517 | 1,956,311 | 1.20% | 23,476 |
| 9 | 306000 | Lake River & Other Intakes | 2,725,542 | 2.04% | 55,579 | 2,738,383 | 2.04% | 55,896 | 2,751,224 | 2.04% | 56,125 | 2,751,224 | 3.49% | 96,018 |
| 10 | 307000 | Wells and Springs | 464,596 | 2.33% | 10,821 | 648,339 | 2.50% | 16,177 | 832,082 | 2.33% | 19,388 | 832,082 | 2.02% | 16,808 |
| 11 | 308000 | Infiltration Galleries and Tunnels | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 12 | 309000 | Supply Mains | 4,677,175 | 1.49% | 69,662 | 4,683,715 | 1.49% | 69,811 | 4,690,255 | 1.49% | 69,885 | 4,690,255 | 1.76% | 82,548 |
| 13 | | Pumping Plant | | | | | | | | | | | | |
| 14 | 303300 | Land and Land Rights - Production | 645,610 | 0.00% | - | 643,563 | 0.00% | - | 641,515 | 0.00% | - | 641,515 | 0.00% | - |
| 15 | 304200 | Structures and Improvements - Prod. | 10,743,412 | 4.70% | 505,259 | 10,796,770 | 4.70% | 507,846 | 10,926,418 | 4.70% | 513,542 | 10,926,418 | 2.49% | 272,068 |
| 16 | 310100 | Power Generation Equipment | 2,457,695 | 2.74% | 67,411 | 2,586,697 | 2.67% | 69,018 | 2,695,611 | 2.74% | 73,865 | 2,696,015 | 2.84% | 76,567 |
| 17 | 311200 | Pumping Equipment - Electrical | 23,918,283 | 2.99% | 714,799 | 24,537,442 | 3.03% | 742,678 | 25,172,965 | 3.01% | 757,766 | 25,564,179 | 4.81% | 1,229,637 |
| 18 | 311300 | Pumping Equipment - Diesel | 985,863 | 2.28% | 22,460 | 1,042,245 | 2.24% | 23,377 | 1,048,549 | 2.26% | 23,697 | 1,048,549 | 3.39% | 35,546 |
| 19 | 311500 | Pumping Equipment - Other | 142,981 | 13.70% | 19,589 | 208,190 | 15.26% | 31,780 | 254,275 | 14.29% | 36,336 | 254,275 | 2.43% | 6,179 |
| 20 | | Water Treatment Plant | | | | | | | | | | | | |
| 21 | 303400 | Land and Land Rights - Water Treatment | 1,375,332 | 0.00% | - | 1,375,332 | 0.00% | - | 1,375,332 | 0.00% | - | 1,375,332 | 0.00% | - |
| 22 | 304300 | Structures and Improvements - WT | 41,372,110 | 2.58% | 1,067,169 | 41,530,984 | 2.58% | 1,071,875 | 43,095,975 | 2.58% | 1,113,450 | 44,628,276 | 2.52% | 1,125,826 |
| 23 | 320100 | Water Treatment (Non-M) | 51,902,021 | 5.97% | 3,100,747 | 52,508,519 | 6.00% | 3,152,022 | 52,995,468 | 5.97% | 3,163,829 | 53,225,159 | 3.60% | 1,917,628 |
| 24 | 320193 | Water Treatment Equip Chemical | 42,541 | 7.79% | 3,315 | 136,210 | 7.86% | 10,700 | 203,831 | 5.10% | 10,395 | 203,831 | 3.61% | 7,358 |
| 25 | 320200 | Water Treatment Equip Filter Media | 54,522 | 5.97% | 3,257 | 61,620 | 6.62% | 4,079 | 70,107 | 7.61% | 5,333 | 70,242 | 4.15% | 2,915 |
| 26 | 339300 | Other P/E WT | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 27 | | Transmission and Distribution Plant | | | | | | | | | | | | |
| 28 | 303500 | Land and Land Rights - Transmission | 1,937,831 | 0.00% | - | 1,777,791 | 0.00% | - | 1,595,486 | 0.00% | - | 1,595,486 | 0.00% | - |
| 29 | 304400 | Structures and Improvements - TD | 240,365 | 1.50% | 3,612 | 389,680 | 2.62% | 10,227 | 426,482 | 2.46% | 10,491 | 426,482 | 3.30% | 14,074 |
| 30 | 330000 | Distribution Reservoirs and Standpipes | 6,916,394 | 2.46% | 170,075 | 7,006,395 | 2.47% | 172,711 | 7,181,517 | 2.45% | 175,709 | 8,199,252 | 2.10% | 172,184 |
| 31 | 330100 | Elevated Tanks and Standpipe | - | 0.00% | - | 24,116 | 1.79% | 432 | 436,233 | 2.54% | 11,096 | 468,567 | 2.10% | 9,840 |
| 32 | 330200 | Ground Level Facilities | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 33 | 330300 | Below Grade Facilities | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 34 | 331001 | T & D Mains Conversion | 160,057,168 | 1.83% | 2,921,640 | 170,983,865 | 1.83% | 3,121,232 | 188,738,578 | 1.81% | 3,412,478 | 204,279,558 | 1.57% | 3,210,466 |
| 35 | 331100 | TD Mains 4in & less | 66,781 | 1.82% | 1,215 | 1,400,400 | 1.12% | 15,642 | 2,734,016 | 1.14% | 31,248 | 2,734,016 | 1.15% | 31,444 |
| 36 | 331200 | TD Mains 6in to 8 in | 101,255 | 1.82% | 1,841 | 1,093,714 | 0.58% | 6,338 | 2,086,443 | 1.74% | 36,246 | 2,086,443 | 1.48% | 30,891 |
| 37 | 331300 | TD Mains 10in to 16in | 13,721 | 1.82% | 250 | 1,135,915 | 0.40% | 4,573 | 2,244,387 | 1.74% | 39,055 | 2,244,387 | 1.47% | 33,069 |
| 38 | 331400 | TD Mains 18in & greater | 1,031,026 | 1.51% | 15,524 | 1,251,586 | 1.83% | 22,867 | 1,258,868 | 1.82% | 22,911 | 1,258,868 | 1.32% | 16,617 |
| 39 | 332000 | Fire Mains | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 40 | 333000 | Services | 49,670,698 | 6.49% | 3,223,723 | 53,637,188 | 6.54% | 3,507,054 | 57,995,865 | 6.42% | 3,723,510 | 61,527,525 | 5.53% | 3,401,233 |
| 41 | 334100 | Meters | - | 0.00% | - | 58,138 | 166.49% | 96,793 | 116,276 | 14.24% | 16,558 | 116,276 | 4.74% | 5,511 |
| 42 | 334110 | Meters Bronze Case | 11,595,514 | 14.25% | 1,652,781 | 12,597,243 | 13.82% | 1,741,245 | 15,834,428 | 14.22% | 2,250,951 | 19,549,452 | 4.74% | 925,857 |
| 43 | 334120 | Meters Plastic Case | 286,114 | 7.39% | 21,135 | 285,875 | 7.38% | 21,111 | 285,635 | 7.39% | 21,108 | 285,635 | 0.00% | - |
| 44 | 334130 | Meters Other | - | 0.00% | - | 140,872 | 6.57% | 9,253 | 281,744 | 0.18% | 507 | 281,744 | 0.00% | - |
| 45 | 334200 | Meters Installations | 17,620,416 | 3.51% | 619,282 | 19,052,565 | 3.55% | 676,420 | 19,809,254 | 3.50% | 693,349 | 19,809,254 | 4.91% | 972,617 |
| 46 | 334300 | Meter Vaults | 24,069 | 2.46% | 592 | 68,485 | 2.54% | 1,737 | 110,160 | 2.68% | 2,952 | 110,160 | 3.18% | 3,503 |
| 47 | 335000 | Hydrants | 15,448,044 | 3.98% | 615,206 | 16,813,252 | 3.94% | 661,940 | 18,020,437 | 3.93% | 708,327 | 18,664,455 | 3.87% | 722,959 |
| 48 | 339500 | Other P/E TD | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
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Exhibit No. 17.00
Southern/Peoria/Pontiac/Streator/South Beloit - Continued
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|---|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | General Plant | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | 461,696 | 0.00% | - | 463,721 | 0.00% | - | 465,746 | 0.00% | - | 465,746 | 0.00% | - |
| 3 | 304500 | Structures and Improvements - AG | 396,242 | 2.78% | 11,011 | 423,273 | 2.77% | 11,734 | 450,304 | 2.78% | 12,518 | 450,304 | 2.96% | 13,329 |
| 4 | 304600 | Office Structures | 3,404,344 | 2.78% | 94,607 | 3,475,125 | 2.79% | 96,826 | 3,545,511 | 2.78% | 98,565 | 3,545,511 | 3.15% | 111,684 |
| 5 | 304700 | Stores, Shop, and Garage Structures | 2,960,118 | 3.11% | 92,081 | 2,906,126 | 2.65% | 77,053 | 2,841,135 | 3.11% | 88,359 | 2,841,135 | 2.06% | 58,527 |
| 6 | 304800 | Miscellaneous Structures | 307,289 | 2.14% | 6,586 | 314,511 | 2.15% | 6,770 | 317,238 | 2.15% | 6,821 | 317,238 | 5.27% | 16,718 |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | 68,370 | 0.75% | 513 | 136,740 | 0.00% | - | 136,740 | 0.00% | - |
| 8 | 340100 | Office Furniture | 792,208 | 4.63% | 36,663 | 830,149 | 4.45% | 36,981 | 882,356 | 4.45% | 39,246 | 1,002,942 | 3.58% | 35,906 |
| 9 | 340200 | Computer & Peripheral | 139,613 | 10.58% | 14,772 | 303,734 | 13.64% | 41,432 | 426,884 | 10.03% | 42,827 | 505,756 | 14.29% | 72,270 |
| 10 | 340210 | Personal Computers | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 11 | 340220 | Computer Periph Personal | 61 | 0.00% | - | 121 | 0.00% | - | 121 | 0.47% | 1 | 121 | 0.00% | - |
| 12 | 340300 | Computer Software | 2,684 | 11.23% | 301 | 2,684 | 13.08% | 351 | 2,684 | 22.45% | 603 | 2,684 | 16.56% | 444 |
| 13 | 340320 | Personal Computer Software | 6,590 | 31.04% | 2,046 | 9,115 | 22.44% | 2,046 | 9,115 | 22.45% | 2,046 | 9,115 | 14.27% | 1,301 |
| 14 | 340400 | Data Handling Equipment | 19,527 | 12.06% | 2,355 | 39,054 | 10.34% | 4,037 | 39,054 | 10.34% | 4,038 | 39,054 | 5.59% | 2,183 |
| 15 | 340500 | Other Office Equipment | 63,738 | 12.35% | 7,870 | 79,280 | 10.34% | 8,195 | 79,280 | 10.34% | 8,198 | 79,280 | 5.59% | 4,432 |
| 16 | 341001 | Transportation Equip Not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 17 | 341100 | Light Duty Trucks | 3,412,415 | 11.18% | 381,650 | 3,681,490 | 11.50% | 423,335 | 4,365,693 | 11.10% | 484,704 | 5,236,244 | 3.36% | 175,827 |
| 18 | 341200 | Heavy Duty Trucks | 925,298 | 7.63% | 70,645 | 1,557,121 | 7.93% | 123,531 | 2,109,192 | 7.36% | 155,207 | 2,245,689 | 3.97% | 89,175 |
| 19 | 341300 | Automobiles | 380,215 | 0.00% | - | 389,012 | 5.17% | 20,109 | 368,874 | 0.00% | - | 368,874 | 4.74% | 17,485 |
| 20 | 341400 | Trans. Equipment - Other | 38,198 | 0.83% | 317 | 89,795 | 0.84% | 756 | 141,392 | 0.83% | 1,174 | 141,392 | 2.94% | 4,157 |
| 21 | 342000 | Stores Equipment | 167,495 | 4.58% | 7,668 | 157,900 | 5.11% | 8,071 | 148,483 | 4.58% | 6,801 | 148,483 | 2.45% | 3,638 |
| 22 | 343000 | Tools/Shop/Garage Equipment | 2,752,549 | 3.19% | 87,699 | 3,230,399 | -1.49% | (48,141) | 4,122,012 | 3.07% | 126,498 | 4,660,482 | 2.54% | 118,499 |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | - | 0.00% | - | 5,863 | 3.61% | 212 | 11,726 | 3.06% | 359 | 11,726 | 2.54% | 298 |
| 24 | 344000 | Laboratory Equipment | 962,912 | 4.65% | 44,750 | 997,750 | 4.54% | 45,254 | 1,026,977 | 4.65% | 47,754 | 1,026,977 | 3.85% | 39,539 |
| 25 | 345000 | Power Oper. Equipment | 1,793,624 | 7.14% | 128,077 | 2,082,093 | 7.50% | 156,188 | 2,218,010 | 6.97% | 154,647 | 2,212,694 | 6.45% | 142,719 |
| 26 | 346001 | Comm. Equipment Conversion | 4,353,165 | 4.98% | 216,958 | 4,566,116 | 4.75% | 216,932 | 4,580,530 | 4.78% | 218,949 | 4,580,530 | 6.04% | 276,664 |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | 46,097 | 4.78% | 2,203 | 46,097 | 4.78% | 2,203 | 46,097 | 4.78% | 2,203 | 84,968 | 6.13% | 5,212 |
| 28 | 346190 | Remote Control & Instrument | 6,296 | 4.85% | 305 | 44,834 | 1.76% | 788 | 77,246 | 4.78% | 3,692 | 77,246 | 6.04% | 4,666 |
| 29 | 346200 | Comm. Equipment Telephone | 104,960 | 6.06% | 6,362 | 189,130 | 4.78% | 9,038 | 193,433 | 4.78% | 9,246 | 193,433 | 6.04% | 11,683 |
| 30 | 347000 | Miscellaneous Equipment | 632,097 | 2.50% | 15,820 | 707,983 | 2.14% | 15,154 | 725,511 | 2.39% | 17,340 | 725,511 | 2.51% | 18,210 |
| 31 | 102.1 | FAS 109 - AFUDC Debt | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 32 | | Completed Construction not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 33 | | | | | | | | | | | | | | |
| 34 | | Total | 440,771,938 | | 16,390,517 | 468,049,317 | | 17,358,681 | 505,758,206 | | 18,794,459 | 534,196,938 | | 15,873,381 |
| 35 | | | | | | | | | | | | | | |
| 36 | | Allocations | | | | | | | | | | | | |
| 37 | | Southern Corporate | 74,055 | | - | - | | - | - | | - | - | | - |
| 38 | | Northern Corporate | 59,568 | | 95 | - | | - | - | | - | - | | - |
| 39 | | Eastern Corporate | 43,106 | | - | - | | - | - | | - | - | | - |
| 40 | | State Corporate | 10,319,350 | | 943,495 | 10,923,955 | | 918,853 | 13,459,728 | | 1,726,540 | 15,814,016 | | 1,530,175 |
| 41 | | | | | | | | | | | | | | |
| 42 | | Total Average Utility Plant in Service | \$ 451,268,017 | | 17,334,107 | \$ 478,973,272 | | 18,277,534 | \$ 519,217,934 | | 20,520,999 | \$ 550,010,954 | | 17,403,557 |
| 43 | | | | | | | | | | | | | | |
| 44 | | Depreciation on Contributed Property | | | (574,089) | | | (581,647) | | | (580,388) | | (517,192) | |
| 45 | | | | | | | | | | | | | | |
| 46 | | Total Depreciation Expense | | | \$ 16,760,018 | | | \$ 17,695,887 | | | \$ 19,940,610 | | \$ 16,886,364 | |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145

Schedule C-12 First Revised

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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Chicago Metro Water - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|---|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | General Plant | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 3 | 304500 | Structures and Improvements - AG | 24,465 | 2.92% | 714 | 31,796 | 2.90% | 921 | 34,577 | 2.78% | 961 | 34,577 | 2.96% | 1,023 |
| 4 | 304600 | Office Structures | 4,504 | 2.78% | 125 | 101,070 | 3.15% | 3,188 | 197,635 | 2.78% | 5,494 | 197,635 | 3.15% | 6,226 |
| 5 | 304700 | Stores, Shop, and Garage Structures | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 6 | 304800 | Miscellaneous Structures | 97,770 | 2.19% | 2,145 | 140,280 | 2.24% | 3,135 | 178,560 | 2.15% | 3,839 | 178,560 | 5.27% | 9,410 |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 8 | 340100 | Office Furniture | 7,497 | 4.46% | 334 | 13,320 | 4.46% | 594 | 24,341 | 4.52% | 1,101 | 51,886 | 3.64% | 1,890 |
| 9 | 340200 | Computer & Peripheral | 887,775 | 10.41% | 92,388 | 1,043,160 | 10.12% | 105,524 | 1,119,377 | 10.05% | 112,499 | 1,119,420 | 14.28% | 159,853 |
| 10 | 340210 | Personal Computers | 195,784 | 11.23% | 21,978 | 203,349 | 11.23% | 22,829 | 210,913 | 11.23% | 23,686 | 210,913 | 16.55% | 34,906 |
| 11 | 340220 | Computer Periph Personal | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 12 | 340300 | Computer Software | 70,262 | 12.03% | 8,450 | 93,963 | 14.04% | 13,189 | 94,122 | 22.45% | 21,130 | 94,122 | 16.56% | 15,587 |
| 13 | 340320 | Personal Computer Software | 25,660 | 22.44% | 5,758 | 25,660 | 22.44% | 5,759 | 25,660 | 22.45% | 5,761 | 25,660 | 14.27% | 3,662 |
| 14 | 340400 | Data Handling Equipment | 488,688 | 10.83% | 52,913 | 643,887 | 10.16% | 65,428 | 1,069,663 | 10.46% | 111,861 | 1,194,036 | 5.59% | 66,747 |
| 15 | 340500 | Other Office Equipment | 844,391 | 10.34% | 87,275 | 850,501 | 10.35% | 88,020 | 856,611 | 10.34% | 88,574 | 856,611 | 5.59% | 47,885 |
| 16 | 341001 | Transportation Equip Not Classified | 876,909 | 0.82% | 7,231 | 852,026 | 0.85% | 7,277 | 789,702 | 0.82% | 6,476 | 789,702 | 3.65% | 28,824 |
| 17 | 341100 | Light Duty Trucks | 765,024 | 11.23% | 85,895 | 751,102 | 11.44% | 85,897 | 753,655 | 11.11% | 83,715 | 928,353 | 3.37% | 31,332 |
| 18 | 341200 | Heavy Duty Trucks | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 19 | 341300 | Automobiles | 277,720 | 0.00% | - | 978,850 | 3.01% | 29,465 | 1,538,864 | 0.00% | - | 1,711,077 | 4.75% | 81,301 |
| 20 | 341400 | Trans. Equipment - Other | 1,785 | 0.64% | 11 | 3,569 | 0.83% | 30 | 3,569 | 0.83% | 30 | 3,569 | 2.94% | 105 |
| 21 | 342000 | Stores Equipment | 7,014 | 4.58% | 321 | 7,014 | 4.58% | 321 | 7,014 | 4.58% | 321 | 7,014 | 2.45% | 172 |
| 22 | 343000 | Tools/Shop/Garage Equipment | 621,354 | 3.06% | 19,034 | 743,437 | 3.08% | 22,893 | 1,004,565 | 3.08% | 30,899 | 1,024,128 | 2.54% | 26,013 |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | 95,281 | 3.24% | 3,088 | 183,913 | 3.05% | 5,612 | 192,134 | 3.06% | 5,879 | 192,134 | 2.54% | 4,880 |
| 24 | 344000 | Laboratory Equipment | 115,682 | 5.30% | 6,128 | 183,545 | 4.58% | 8,413 | 169,221 | 4.65% | 7,869 | 169,221 | 3.85% | 6,515 |
| 25 | 345000 | Power Oper. Equipment | 252,752 | 7.02% | 17,737 | 239,079 | 6.98% | 16,683 | 239,079 | 6.98% | 16,688 | 239,079 | 6.45% | 15,421 |
| 26 | 346001 | Comm. Equipment Conversion | 699,558 | 4.91% | 34,369 | 717,125 | 4.85% | 34,779 | 754,426 | 4.78% | 36,062 | 754,426 | 6.04% | 45,567 |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | 33,382 | 4.85% | 1,620 | 34,478 | 4.78% | 1,648 | 34,478 | 4.78% | 1,648 | 34,478 | 6.04% | 2,082 |
| 28 | 346190 | Remote Control & Instrument | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 29 | 346200 | Comm. Equipment Telephone | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 30 | 347000 | Miscellaneous Equipment | 374,643 | 2.40% | 8,994 | 387,466 | 2.19% | 8,468 | 392,533 | 2.39% | 9,382 | 392,533 | 2.51% | 9,853 |
| 31 | 102.1 | FAS 109 - AFUDC Debt | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 32 | | Completed Construction not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 33 | | | | | | | | | | | | | | |
| 34 | | Total | 164,051,442 | | 6,467,811 | 171,521,386 | | 6,835,106 | 181,757,278 | | 7,246,341 | 189,894,266 | | 5,192,108 |
| 35 | | | | | | | | | | | | | | |
| 36 | | Allocations | | | | | | | | | | | | |
| 37 | | Chicago Corporate | 102,342 | | - | 102,342 | | - | 102,342 | | - | 102,342 | | - |
| 38 | | State Corporate | 1,959,763 | | 179,180 | 2,074,584 | | 174,501 | 2,556,157 | | 327,890 | 3,003,263 | | 290,598 |
| 39 | | | | | | | | | | | | | | |
| 40 | | Total Average Utility Plant in Service | \$ 166,113,547 | | 6,646,992 | \$ 173,698,313 | | 7,009,607 | \$ 184,415,777 | | 7,574,231 | \$ 192,999,871 | | 5,482,706 |
| 41 | | | | | | | | | | | | | | |
| 42 | | Depreciation on Contributed Property | | | (835,019) | | | (850,595) | | | (877,107) | | | (884,900) |
| 43 | | | | | | | | | | | | | | |
| 44 | | Total Depreciation Expense | | | \$ 5,811,973 | | | \$ 6,159,012 | | | \$ 6,697,124 | | | \$ 4,597,806 |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145

Schedule C-12 First Revised

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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Chicago Metro Waste Water
Workpaper Reference: _____

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|---|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | Intangible Plant | | | | | | | | | | | | |
| 2 | 351000 | Organization | \$ 361,048 | 0.00% | \$ - | \$ 361,048 | 0.00% | \$ - | \$ 361,048 | 0.00% | \$ - | \$ 361,048 | 0.00% | \$ - |
| 3 | 352000 | Franchises | 580,949 | 0.00% | - | 580,949 | 0.00% | - | 580,949 | 0.00% | - | 580,949 | 0.00% | - |
| 4 | 352200 | Other Intangible Plt | 110 | 0.00% | - | 110 | 0.00% | - | 1,728 | 0.00% | - | 1,863 | 0.00% | - |
| 5 | 389100 | Other Plant and Misc Equipment | 395,641 | 2.27% | 8,973 | 397,609 | 2.26% | 8,984 | 397,609 | 2.27% | 9,026 | 397,609 | 0.00% | - |
| 6 | | Collection Plant | | | | | | | | | | | | |
| 7 | 353200 | Land and Land Rights - Coll | 269,604 | 0.00% | - | 269,604 | 0.00% | - | 269,604 | 0.00% | - | 269,604 | 0.00% | - |
| 8 | 354200 | Structures and Improvements - Coll | 4,713,372 | 2.25% | 106,232 | 4,704,036 | 2.26% | 106,289 | 4,705,371 | 2.25% | 105,871 | 4,705,371 | 1.93% | 90,814 |
| 9 | 360000 | Collection Sewers Forced | 3,679,214 | 3.33% | 122,339 | 3,928,152 | 3.29% | 129,332 | 3,949,243 | 3.33% | 131,510 | 3,949,243 | 2.59% | 102,285 |
| 10 | 361100 | Collecting Mains | 48,142,797 | 3.34% | 1,606,746 | 49,606,512 | 3.33% | 1,651,433 | 52,267,824 | 3.34% | 1,746,866 | 55,970,255 | 2.38% | 1,333,522 |
| 11 | 363000 | Services Sewer | 8,212,620 | 3.47% | 285,254 | 8,583,803 | 3.46% | 297,045 | 8,767,480 | 3.47% | 304,188 | 8,958,163 | 2.69% | 240,980 |
| 12 | | System Pumping Plant | | | | | | | | | | | | |
| 13 | 354300 | Structures and Improvements - SPP | 14,410 | 5.74% | 827 | 51,123 | 6.66% | 3,407 | 87,836 | 5.74% | 5,042 | 87,836 | 2.93% | 2,574 |
| 14 | 371100 | Pumping Equipment - Electrical | 1,137,855 | 5.22% | 59,426 | 2,167,897 | 5.49% | 118,955 | 2,557,678 | 5.22% | 133,511 | 2,557,678 | 5.25% | 134,278 |
| 15 | 371200 | Pumping Equipment - Other | 177,090 | 5.36% | 9,493 | 206,746 | 5.23% | 10,813 | 210,659 | 5.36% | 11,291 | 210,659 | 5.40% | 11,376 |
| 16 | | Treatment and Disposal Plant | | | | | | | | | | | | |
| 17 | 354400 | Structures and Improvements - TDP | 12,732,788 | 5.74% | 730,642 | 12,732,788 | 5.74% | 730,677 | 13,413,690 | 5.74% | 753,977 | 20,907,080 | 4.97% | 1,039,079 |
| 18 | 380000 | Treatment & Disposal Equipment | 373,114 | 3.92% | 14,630 | 371,593 | 3.91% | 14,532 | 369,257 | 3.92% | 14,475 | 369,257 | 6.57% | 24,260 |
| 19 | 380050 | T& D Equip Grit Removal | 411,339 | 3.92% | 16,120 | 411,339 | 3.92% | 16,120 | 411,339 | 3.92% | 16,124 | 411,339 | 10.26% | 42,203 |
| 20 | 380100 | T& D Equip Sed Tanks | 4,649,885 | 6.65% | 309,370 | 4,722,365 | 6.66% | 314,609 | 4,772,841 | 6.65% | 317,394 | 4,772,841 | 8.40% | 400,919 |
| 21 | 380250 | T& D Equip Sldge Dig Trnk | 5,857 | 4.34% | 254 | 5,857 | 4.34% | 254 | 5,857 | 4.34% | 254 | 5,857 | 9.26% | 542 |
| 22 | 380300 | T& D Equip Sldge Dry/Filt | 1,640,328 | 5.23% | 85,764 | 1,640,328 | 5.23% | 85,765 | 1,640,328 | 5.23% | 85,789 | 1,640,328 | 15.75% | 258,352 |
| 23 | 380350 | T& D Equip Sec Trmt Filt | 1,819,691 | 3.60% | 65,493 | 1,830,813 | 3.62% | 66,213 | 1,839,871 | 3.60% | 66,235 | 1,839,871 | 10.73% | 197,418 |
| 24 | 380400 | T& D Equip Aux Effl Trmt | 1,723,590 | 5.32% | 91,652 | 1,744,253 | 5.30% | 92,421 | 1,744,861 | 5.32% | 92,827 | 1,744,861 | 7.39% | 128,945 |
| 25 | 380500 | T& D Equip Chem Trmt Plt | 654,636 | 3.33% | 21,793 | 654,636 | 3.33% | 21,793 | 654,636 | 3.33% | 21,799 | 654,636 | 20.37% | 133,349 |
| 26 | 380600 | T& D Equip Oth Disp | 1,227,737 | 3.78% | 46,363 | 1,727,138 | 3.82% | 65,943 | 1,712,038 | 3.78% | 64,715 | 1,712,038 | 11.42% | 195,515 |
| 27 | 380650 | T& D Equip Influent Lift | 1,716,021 | 3.03% | 51,967 | 1,900,484 | 2.95% | 56,049 | 1,900,485 | 3.03% | 57,585 | 1,900,485 | 7.35% | 139,686 |
| 28 | 382000 | Outfall Sewer Lines | 869,183 | 4.37% | 37,942 | 900,802 | 4.34% | 39,084 | 900,802 | 4.37% | 39,365 | 900,802 | 1.66% | 14,953 |
| 29 | | Reclaimed Treatment Plant | | | | | | | | | | | | |
| 30 | 353500 | Land and Land Rights - RTP | 40,951 | 0.00% | - | 40,951 | 0.00% | - | 40,951 | 0.00% | - | 40,951 | 0.00% | - |
| 31 | 354500 | Structures and Improvements - RTP | 2,471,423 | 4.32% | 106,692 | 2,458,078 | 4.30% | 105,677 | 2,426,825 | 4.32% | 104,839 | 2,426,825 | 3.09% | 74,989 |
| 32 | | General Plant | | | | | | | | | | | | |
| 33 | 390000 | Office Furniture | 142,544 | 3.67% | 5,229 | 142,494 | 3.67% | 5,228 | 142,494 | 3.67% | 5,230 | 142,494 | 14.48% | 20,633 |
| 34 | 391000 | Transportation Equipment | 111,608 | 24.99% | 27,894 | 111,608 | 24.99% | 27,894 | 400,434 | 24.99% | 101,630 | 627,480 | 0.00% | - |
| 35 | 392000 | Stores Equipment | 10,989 | 5.80% | 637 | 10,989 | 5.80% | 637 | 10,989 | 5.80% | 637 | 10,989 | 5.64% | 620 |
| 36 | 393000 | Tools/Shop/Garage Equipment | 200,153 | 4.16% | 8,325 | 215,539 | 4.18% | 9,006 | 209,826 | 4.16% | 8,668 | 248,264 | 4.82% | 11,974 |
| 37 | 394000 | Laboratory Equipment | 119,450 | 5.80% | 6,926 | 131,272 | 5.33% | 7,003 | 143,093 | 5.80% | 8,299 | 143,093 | 7.46% | 10,675 |
| 38 | 395000 | Power Operated Equipment | 243,215 | 6.20% | 15,077 | 204,748 | 5.42% | 11,097 | 166,178 | 6.20% | 10,303 | 166,178 | 16.40% | 27,253 |
| 39 | 396000 | Communications Equipment | 135,597 | 4.37% | 5,924 | 135,597 | 4.37% | 5,924 | 135,597 | 4.37% | 5,926 | 135,597 | 7.71% | 10,455 |
| 40 | 397000 | Misc. Equipment | 68,834 | 3.78% | 2,602 | 68,891 | 3.78% | 2,604 | 68,891 | 3.78% | 2,604 | 68,891 | 9.60% | 6,614 |
| 41 | | Total | 99,053,643 | | 3,850,591 | 103,020,152 | | 4,004,789 | 107,268,312 | | 4,225,980 | 118,920,434 | | 4,654,262 |
| 42 | | | | | | | | | | | | | | |
| 43 | | | | | | | | | | | | | | |
| 44 | | Allocations | | | | | | | | | | | | |
| 45 | | Chicago Corporate | 50,268 | | - | 50,268 | | - | 50,268 | | - | 50,268 | | - |
| 46 | | State Corporate | 962,583 | | 88,009 | 1,018,981 | | 85,710 | 1,255,516 | | 161,051 | 1,475,123 | | 142,734 |
| 47 | | | | | | | | | | | | | | |
| 48 | | Total Average Utility Plant in Service | \$ 100,066,494 | | 3,938,599 | \$ 104,089,400 | | 4,090,499 | \$ 108,574,096 | | 4,387,030 | \$ 120,445,825 | | 4,796,996 |
| 49 | | | | | | | | | | | | | | |
| 50 | | Depreciation on Contributed Property | | | (2,062,047) | | | (2,106,928) | | | (2,048,995) | | | (2,021,803) |
| 51 | | | | | | | | | | | | | | |
| 52 | | Total Depreciation Expense | | | \$ 1,876,553 | | | \$ 1,983,571 | | | \$ 2,338,035 | | | \$ 2,775,193 |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 10 of 16
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Champaign - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|---|---|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense | | |
| 1 | | General Plant | | | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | - |
| 3 | 304500 | Structures and Improvements - AG | 177,387 | 2.78% | 4,929 | 177,387 | 2.78% | 4,930 | 177,387 | 2.78% | 4,931 | 177,387 | 2.96% | 5,251 | | |
| 4 | 304600 | Office Structures | - | 0.00% | - | 12,351 | 4.07% | 503 | 24,701 | 2.78% | 687 | 24,701 | 3.15% | 778 | | |
| 5 | 304700 | Stores, Shop, and Garage Structures | - | 0.00% | - | - | 0.00% | - | - | 3.11% | - | - | 2.06% | - | | |
| 6 | 304800 | Miscellaneous Structures | - | 0.00% | - | - | 0.00% | - | - | 2.15% | - | - | 5.27% | - | | |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | | |
| 8 | 340100 | Office Furniture | 368,943 | 6.26% | 23,097 | 522,623 | 4.46% | 23,305 | 524,850 | 4.46% | 23,397 | 542,651 | 3.58% | 19,347 | | |
| 9 | 340200 | Computer & Peripheral | 11,823 | 7.41% | 876 | 69,476 | 12.89% | 8,955 | 115,306 | 10.05% | 11,588 | 115,306 | 14.28% | 16,466 | | |
| 10 | 340210 | Personal Computers | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - | | |
| 11 | 340220 | Computer Periph Personal | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - | | |
| 12 | 340300 | Computer Software | 6,369 | 22.45% | 1,430 | 13,535 | 13.87% | 1,877 | 14,331 | 22.45% | 3,217 | 14,331 | 16.56% | 2,373 | | |
| 13 | 340320 | Personal Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 14.27% | - | | |
| 14 | 340400 | Data Handling Equipment | 8,249 | 15.18% | 1,252 | 12,118 | 10.34% | 1,253 | 12,118 | 10.34% | 1,253 | 12,118 | 5.59% | 677 | | |
| 15 | 340500 | Other Office Equipment | 25,778 | 18.74% | 4,830 | 46,730 | 10.34% | 4,831 | 46,730 | 10.34% | 4,832 | 46,730 | 5.59% | 2,612 | | |
| 16 | 341001 | Transportation Equip Not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.82% | - | - | 3.65% | - | | |
| 17 | 341100 | Light Duty Trucks | 500,803 | 11.60% | 58,086 | 590,016 | 10.86% | 64,090 | 697,111 | 11.10% | 77,292 | 827,539 | 3.36% | 27,794 | | |
| 18 | 341200 | Heavy Duty Trucks | 510,709 | 7.02% | 35,871 | 647,173 | 7.99% | 51,685 | 781,282 | 7.36% | 57,445 | 911,710 | 3.97% | 36,181 | | |
| 19 | 341300 | Automobiles | 123,099 | 0.00% | - | 144,542 | 3.11% | 4,500 | 150,568 | 0.00% | - | 150,568 | 4.74% | 7,137 | | |
| 20 | 341400 | Trans. Equipment - Other | - | 0.00% | - | - | 0.00% | - | - | 0.83% | - | - | 2.94% | - | | |
| 21 | 342000 | Stores Equipment | 26,784 | 4.58% | 1,226 | 26,784 | 4.58% | 1,226 | 26,784 | 4.58% | 1,227 | 26,784 | 2.45% | 656 | | |
| 22 | 343000 | Tools/Shop/Garage Equipment | 528,820 | 3.05% | 16,126 | 601,994 | 3.10% | 18,647 | 721,668 | 3.06% | 22,042 | 886,121 | 2.54% | 22,414 | | |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | - | 0.00% | - | - | 0.00% | - | - | 3.06% | - | - | 2.54% | - | | |
| 24 | 344000 | Laboratory Equipment | 113,646 | 4.65% | 5,283 | 113,646 | 4.65% | 5,283 | 113,646 | 4.65% | 5,285 | 174,332 | 3.85% | 6,726 | | |
| 25 | 345000 | Power Oper. Equipment | 498,134 | 6.92% | 34,451 | 513,393 | 7.02% | 36,059 | 523,035 | 6.98% | 36,508 | 523,035 | 6.45% | 33,736 | | |
| 26 | 346001 | Comm. Equipment Conversion | 652,513 | 4.77% | 31,157 | 652,069 | 4.78% | 31,169 | 652,324 | 4.78% | 31,181 | 758,400 | 6.04% | 45,845 | | |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | - | 0.00% | - | 37,371 | 5.64% | 2,106 | 74,742 | 4.78% | 3,573 | 74,742 | 6.04% | 4,514 | | |
| 28 | 346190 | Remote Control & Instrument | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - | | |
| 29 | 346200 | Comm. Equipment Telephone | 2,597 | 5.23% | 136 | 2,844 | 4.78% | 136 | 2,844 | 4.78% | 136 | 2,844 | 6.04% | 172 | | |
| 30 | 347000 | Miscellaneous Equipment | 37,697 | 2.74% | 1,035 | 41,532 | 1.72% | 715 | 39,759 | 2.39% | 950 | 39,759 | 2.51% | 998 | | |
| 31 | 102.1 | FAS 109 - AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 32 | | Completed Construction not Classified | - | - | - | - | - | 242 | - | - | - | - | - | - | | |
| 33 | | | | | | | | | | | | | | | | |
| 34 | | Total | 98,827,227 | | 3,824,162 | 105,407,228 | | 4,058,111 | 112,233,707 | | 4,270,557 | 149,512,043 | | 4,403,160 | | |
| 35 | | | | | | | | | | | | | | | | |
| 36 | | Allocations | | | | | | | | | | | | | | |
| 37 | | Eastern Corporate | 188,478 | | - | - | | - | - | | - | - | | - | | |
| 38 | | State Corporate | 3,461,611 | | 316,494 | 3,664,425 | | 308,228 | 4,515,047 | | 579,165 | 5,304,789 | | 513,295 | | |
| 39 | | | | | | | | | | | | | | | | |
| 40 | | Total Average Utility Plant in Service | \$ 102,477,317 | | \$ 4,140,656 | \$ 109,071,653 | | \$ 4,366,339 | \$ 116,748,753 | | \$ 4,849,722 | \$ 154,816,833 | | \$ 4,916,455 | | |
| 41 | | | | | | | | | | | | | | | | |
| 42 | | Depreciation on Contributed Property | | | (\$233,311) | | | (\$236,382) | | | (\$241,777) | | | (\$203,019) | | |
| 43 | | | | | | | | | | | | | | | | |
| 44 | | Total Depreciation Expense | | | \$ 3,907,346 | | | \$ 4,129,958 | | | \$ 4,607,945 | | | \$ 4,713,436 | | |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

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Exhibit No. 17.00
Sterling
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Object Number | Account Description | | | | (1) | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | Intangible Plant | | | | | | | | | | | | |
| 2 | 301000 | Organization | \$ - | 0.00% | \$ - | \$ - | 0.00% | \$ - | \$ - | 0.00% | \$ - | \$ - | 0.00% | \$ - |
| 3 | 302000 | Franchises | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 4 | 339600 | Other P/E - Comp. Planning | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 5 | | Source of Supply Plant | | | | | | | | | | | | |
| 6 | 303200 | Land and Land Rights - Source of Supply | 1,374 | 0.00% | - | 1,374 | 0.00% | - | 1,374 | 0.00% | - | 1,374 | 0.00% | - |
| 7 | 304100 | Structures and Improvements - SS | - | 0.00% | - | - | 0.00% | - | - | 2.92% | - | - | 2.81% | - |
| 8 | 305000 | Collecting and Impounding | - | 0.00% | - | - | 0.00% | - | - | 2.48% | - | - | 1.20% | - |
| 9 | 306000 | Lake River & Other Intakes | - | 0.00% | - | - | 0.00% | - | - | 2.04% | - | - | 3.49% | - |
| 10 | 307000 | Wells and Springs | 432,671 | 2.33% | 10,077 | 432,671 | 2.33% | 10,078 | 432,671 | 2.33% | 10,081 | 432,671 | 2.02% | 8,740 |
| 11 | 308000 | Infiltration Galleries and Tunnels | - | 0.00% | - | - | 0.00% | - | - | 1.49% | - | - | 1.19% | - |
| 12 | 309000 | Supply Mains | 14,669 | 1.49% | 219 | 14,669 | 1.49% | 219 | 14,669 | 1.49% | 219 | 14,669 | 1.76% | 258 |
| 13 | | Pumping Plant | | | | | | | | | | | | |
| 14 | 303300 | Land and Land Rights - Production | 2,301 | 0.00% | - | 2,301 | 0.00% | - | 2,301 | 0.00% | - | 2,301 | 0.00% | - |
| 15 | 304200 | Structures and Improvements - Prod. | 1,162,949 | 5.15% | 59,883 | 1,970,991 | 4.81% | 94,828 | 2,109,056 | 4.70% | 99,126 | 2,109,056 | 2.49% | 52,515 |
| 16 | 310100 | Power Generation Equipment | 96,557 | 2.74% | 2,645 | 98,644 | 2.74% | 2,702 | 98,686 | 2.74% | 2,704 | 98,686 | 2.84% | 2,803 |
| 17 | 311200 | Pumping Equipment - Electrical | 877,076 | 3.00% | 26,295 | 917,051 | 3.01% | 27,622 | 946,377 | 3.01% | 28,486 | 946,377 | 4.81% | 45,521 |
| 18 | 311300 | Pumping Equipment - Diesel | 15,627 | 2.26% | 353 | 15,627 | 2.26% | 353 | 15,627 | 2.26% | 353 | 15,627 | 3.39% | 530 |
| 19 | 311500 | Pumping Equipment - Other | 11,219 | 4.50% | 505 | 21,020 | 5.92% | 1,245 | 21,020 | 14.29% | 3,004 | 21,020 | 2.43% | 511 |
| 20 | | Water Treatment Plant | | | | | | | | | | | | |
| 21 | 303400 | Land and Land Rights - Water Treatment | 47,387 | 0.00% | - | 47,387 | 0.00% | - | 47,387 | 0.00% | - | 47,387 | 0.00% | - |
| 22 | 304300 | Structures and Improvements - WT | 1,777,994 | 2.60% | 46,154 | 1,855,067 | 2.57% | 47,648 | 1,854,247 | 2.58% | 47,855 | 1,908,367 | 2.52% | 48,107 |
| 23 | 320100 | Water Treatment (Non-M) | 2,735,479 | 6.25% | 170,834 | 3,411,072 | 5.94% | 202,575 | 3,359,986 | 5.97% | 200,591 | 3,359,986 | 3.61% | 121,295 |
| 24 | 320193 | Water Treatment Equip Chemical | - | 0.00% | - | - | 0.00% | - | - | 5.10% | - | - | 3.61% | - |
| 25 | 320200 | Water Treatment Equip Filter Media | - | 0.00% | - | - | 0.00% | - | - | 7.60% | - | - | 4.15% | - |
| 26 | 339300 | Other P/E WT | 869 | 89.99% | 782 | 1,755 | -34.43% | (604) | 1,772 | 4.50% | 80 | 1,772 | 2.06% | 37 |
| 27 | | Transmission and Distribution Plant | | | | | | | | | | | | |
| 28 | 303500 | Land and Land Rights - Transmission | 26,819 | 0.00% | - | 26,819 | 0.00% | - | 26,819 | 0.00% | - | 26,819 | 0.00% | - |
| 29 | 304400 | Structures and Improvements - TD | 277 | 2.47% | 7 | 277 | 2.47% | 7 | 277 | 2.46% | 7 | 277 | 3.30% | 9 |
| 30 | 330000 | Distribution Reservoirs and Standpipes | 412,171 | 2.46% | 10,135 | 412,171 | 2.46% | 10,136 | 505,752 | 2.46% | 11,386 | 1,628,726 | 2.10% | 34,203 |
| 31 | 330100 | Elevated Tanks and Standpipe | - | 0.00% | - | 600 | 2.87% | 17 | 1,200 | 2.46% | 30 | 1,200 | 2.10% | 25 |
| 32 | 330200 | Ground Level Facilities | - | 0.00% | - | - | 0.00% | - | - | 2.46% | - | - | 2.10% | - |
| 33 | 330300 | Below Grade Facilities | - | 0.00% | - | - | 0.00% | - | - | 2.46% | - | - | 2.10% | - |
| 34 | 331001 | T & D Mains Conversion | 5,417,314 | 1.87% | 101,386 | 6,006,986 | 1.84% | 110,256 | 6,298,984 | 1.82% | 114,705 | 6,518,700 | 1.58% | 103,073 |
| 35 | 331100 | TD Mains 4in & less | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.94% | - |
| 36 | 331200 | TD Mains 6in to 8 in | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.53% | - |
| 37 | 331300 | TD Mains 10in to 16in | 50,031 | 2.12% | 1,062 | 96,438 | 1.80% | 1,733 | 92,813 | 1.82% | 1,689 | 92,813 | 1.52% | 1,411 |
| 38 | 331400 | TD Mains 18in & greater | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.32% | - |
| 39 | 332000 | Fire Mains | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.84% | - |
| 40 | 333000 | Services | 1,281,300 | 6.54% | 83,808 | 1,343,148 | 6.51% | 87,429 | 1,387,696 | 6.49% | 90,074 | 1,427,086 | 5.57% | 79,490 |
| 41 | 334100 | Meters | - | 0.00% | - | - | 0.00% | - | - | 14.24% | - | - | 4.74% | - |
| 42 | 334110 | Meters Bronze Case | 645,601 | 14.10% | 90,998 | 723,643 | 14.37% | 103,975 | 823,644 | 14.24% | 117,353 | 883,279 | 4.74% | 41,861 |
| 43 | 334120 | Meters Plastic Case | - | 0.00% | - | - | 0.00% | - | - | 7.39% | - | - | 0.00% | - |
| 44 | 334130 | Meters Other | - | 0.00% | - | - | 0.00% | - | - | 14.24% | - | - | 4.74% | - |
| 45 | 334200 | Meters Installations | 173,107 | 3.53% | 6,107 | 171,576 | 3.48% | 5,977 | 170,815 | 3.50% | 5,979 | 170,815 | 4.91% | 8,387 |
| 46 | 334300 | Meter Vaults | - | 0.00% | - | - | 0.00% | - | - | 2.68% | - | - | 3.18% | - |
| 47 | 335000 | Hydrants | 439,959 | 3.97% | 17,478 | 449,963 | 3.98% | 17,889 | 467,434 | 3.97% | 18,561 | 489,908 | 3.91% | 19,156 |
| 48 | 339500 | Other P/E TD | - | 0.00% | - | 4,066 | 3.33% | 136 | 8,131 | 4.50% | 366 | 8,131 | 2.06% | 167 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Sterling - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | | | | (1) | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | General Plant | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | - | 0.00% | - | - | 0.00% | - | 0.00% | - | - | 0.00% | - | |
| 3 | 304500 | Structures and Improvements - AG | 1,619 | 0.46% | 8 | 3,812 | 3.13% | 119 | 4,386 | 2.78% | 122 | 4,386 | 2.96% | 130 |
| 4 | 304600 | Office Structures | - | 0.00% | - | - | 0.00% | - | - | 2.78% | - | - | 3.15% | - |
| 5 | 304700 | Stores, Shop, and Garage Structures | - | 0.00% | - | - | 0.00% | - | - | 3.11% | - | - | 2.06% | - |
| 6 | 304800 | Miscellaneous Structures | - | 0.00% | - | - | 0.00% | - | - | 2.15% | - | - | 5.27% | - |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 8 | 340100 | Office Furniture | 26,922 | 4.58% | 1,232 | 27,676 | 4.46% | 1,234 | 29,231 | 4.46% | 1,306 | 30,786 | 3.58% | 1,103 |
| 9 | 340200 | Computer & Peripheral | - | 0.00% | - | 14,302 | 12.41% | 1,774 | 27,767 | 10.05% | 2,787 | 27,697 | 14.28% | 3,955 |
| 10 | 340210 | Personal Computers | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - |
| 11 | 340220 | Computer Periph Personal | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - |
| 12 | 340300 | Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 16.56% | - |
| 13 | 340320 | Personal Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 14.27% | - |
| 14 | 340400 | Data Handling Equipment | 544 | 10.32% | 56 | 544 | 10.32% | 56 | 544 | 10.34% | 56 | 544 | 5.59% | 30 |
| 15 | 340500 | Other Office Equipment | 5,925 | 10.34% | 612 | 5,925 | 10.34% | 613 | 5,925 | 10.34% | 613 | 5,925 | 5.59% | 331 |
| 16 | 341001 | Transportation Equip Not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.82% | - | - | 3.65% | - |
| 17 | 341100 | Light Duty Trucks | 111,164 | 11.23% | 12,479 | 143,784 | 12.20% | 17,549 | 184,886 | 11.10% | 20,589 | 200,519 | 3.36% | 6,742 |
| 18 | 341200 | Heavy Duty Trucks | 111,798 | 8.25% | 9,223 | 132,098 | 7.36% | 9,720 | 153,609 | 7.36% | 11,350 | 169,242 | 3.97% | 6,724 |
| 19 | 341300 | Automobiles | 24,171 | 0.00% | - | 26,368 | 3.04% | 801 | 28,565 | 0.00% | - | 28,565 | 4.74% | 1,354 |
| 20 | 341400 | Trans. Equipment - Other | - | 0.00% | - | - | 0.00% | - | - | 0.83% | - | - | 2.94% | - |
| 21 | 342000 | Stores Equipment | 514 | 4.58% | 24 | 514 | 4.58% | 24 | 514 | 4.58% | 24 | 514 | 2.45% | 13 |
| 22 | 343000 | Tools/Shop/Garage Equipment | 127,248 | 3.06% | 3,892 | 135,850 | 3.07% | 4,169 | 144,290 | 3.06% | 4,401 | 213,305 | 2.54% | 5,451 |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | - | 0.00% | - | - | 0.00% | - | - | 3.06% | - | - | 2.54% | - |
| 24 | 344000 | Laboratory Equipment | 44,254 | 5.38% | 2,379 | 70,298 | 4.62% | 3,250 | 69,137 | 4.65% | 3,215 | 69,137 | 3.85% | 2,662 |
| 25 | 345000 | Power Oper. Equipment | 218,867 | 6.98% | 15,272 | 260,093 | 7.17% | 18,656 | 301,260 | 6.98% | 21,028 | 301,260 | 6.45% | 19,431 |
| 26 | 346001 | Comm. Equipment Conversion | 368,508 | 4.80% | 17,687 | 372,185 | 4.78% | 17,785 | 372,185 | 4.78% | 17,790 | 372,185 | 6.04% | 22,480 |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 28 | 346190 | Remote Control & Instrument | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 29 | 346200 | Comm. Equipment Telephone | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 30 | 347000 | Miscellaneous Equipment | 9,756 | 2.76% | 269 | 11,342 | 2.16% | 245 | 11,342 | 2.39% | 271 | 11,342 | 2.51% | 285 |
| 31 | 102.1 | FAS 109 - AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | | Completed Construction not Classified | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | |
| 34 | | Total | 16,674,041 | | 691,859 | 19,230,107 | | 800,213 | 20,022,377 | | 836,199 | 21,642,452 | | 638,790 |
| 35 | | | | | | | | | | | | | | |
| 36 | | Allocations | | | | | | | | | | | | |
| 37 | | Eastern Corporate | 23,106 | | - | - | | - | - | | - | - | | - |
| 38 | | State Corporate | 424,367 | | 38,800 | 449,230 | | 37,786 | 553,510 | | 71,001 | 650,326 | | 62,926 |
| 39 | | | | | | | | | | | | | | |
| 40 | | Total Average Utility Plant in Service | \$ 17,121,514 | | 730,658 | \$ 19,679,337 | | 838,000 | \$ 20,575,887 | | 907,201 | \$ 22,292,778 | | 701,716 |
| 41 | | | | | | | | | | | | | | |
| 42 | | Depreciation on Contributed Property | | | (19,122) | | | (19,123) | | | (19,154) | | (16,628) | |
| 43 | | | | | | | | | | | | | | |
| 44 | | Total Depreciation Expense | | | \$ 711,537 | | | \$ 818,877 | | | \$ 888,047 | | \$ 685,088 | |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
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Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
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Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Pekin - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|---|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 1 | | General Plant | | | | | | | | | | | | |
| 2 | 303600 | Land and Land Rights - Administrative | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 3 | 304500 | Structures and Improvements - AG | - | 0.00% | - | - | 0.00% | - | - | 2.78% | - | - | 2.96% | - |
| 4 | 304600 | Office Structures | 265,524 | 2.78% | 7,379 | 270,067 | 2.81% | 7,583 | 274,610 | 2.78% | 7,634 | 274,610 | 3.15% | 8,650 |
| 5 | 304700 | Stores, Shop, and Garage Structures | 68,852 | 3.11% | 2,140 | 68,852 | 3.11% | 2,141 | 68,852 | 3.11% | 2,141 | 68,852 | 2.06% | 1,418 |
| 6 | 304800 | Miscellaneous Structures | - | 0.00% | - | - | 0.00% | - | - | 2.15% | - | - | 5.27% | - |
| 7 | 339100 | Other P/E Intangible | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 8 | 340100 | Office Furniture | 44,247 | 4.46% | 1,973 | 44,247 | 4.46% | 1,973 | 50,254 | 4.46% | 2,238 | 58,382 | 3.58% | 2,084 |
| 9 | 340200 | Computer & Peripheral | 5,327 | 5.92% | 315 | 14,832 | 10.60% | 1,573 | 28,261 | 10.05% | 2,796 | 55,824 | 14.28% | 7,909 |
| 10 | 340210 | Personal Computers | 34,480 | 11.23% | 3,870 | 34,480 | 11.23% | 3,871 | 34,480 | 11.23% | 3,872 | 34,480 | 16.55% | 5,706 |
| 11 | 340220 | Computer Periph Personal | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - |
| 12 | 340300 | Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 16.56% | - |
| 13 | 340320 | Personal Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 14.27% | - |
| 14 | 340400 | Data Handling Equipment | - | 0.00% | - | - | 0.00% | - | - | 10.34% | - | - | 5.59% | - |
| 15 | 340500 | Other Office Equipment | 10,896 | 10.34% | 1,126 | 10,896 | 10.34% | 1,126 | 10,896 | 10.34% | 1,127 | 10,896 | 5.59% | 609 |
| 16 | 341001 | Transportation Equip Not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.82% | - | - | 3.65% | - |
| 17 | 341100 | Light Duty Trucks | 131,804 | 11.25% | 14,823 | 69,857 | 13.57% | 9,476 | 49,548 | 11.10% | 5,525 | 66,887 | 3.36% | 2,237 |
| 18 | 341200 | Heavy Duty Trucks | 134,132 | 8.39% | 11,255 | 241,432 | 9.41% | 22,731 | 342,073 | 7.36% | 25,210 | 376,750 | 3.97% | 14,933 |
| 19 | 341300 | Automobiles | 20,083 | 0.00% | - | 22,462 | 3.01% | 677 | 24,840 | 0.00% | - | 24,840 | 4.74% | 1,177 |
| 20 | 341400 | Trans. Equipment - Other | 3,675 | 0.67% | 24 | 2,802 | 0.92% | 26 | 2,802 | 0.83% | 23 | 2,802 | 2.94% | 82 |
| 21 | 342000 | Stores Equipment | 5,056 | 4.58% | 231 | 5,056 | 4.58% | 232 | 5,056 | 4.58% | 232 | 5,056 | 2.45% | 124 |
| 22 | 343000 | Tools/Shop/Garage Equipment | 238,181 | 3.10% | 7,388 | 256,448 | 3.09% | 7,920 | 329,584 | 3.06% | 10,139 | 357,500 | 2.54% | 9,077 |
| 23 | 343100 | Tools/Shop/Garage Equipment Ot | - | 0.00% | - | - | 0.00% | - | - | 3.06% | - | - | 2.54% | - |
| 24 | 344000 | Laboratory Equipment | 8,032 | 4.65% | 373 | 8,032 | 4.65% | 373 | 8,032 | 4.65% | 373 | 8,032 | 3.85% | 309 |
| 25 | 345000 | Power Oper. Equipment | 135,499 | 6.98% | 9,454 | 135,499 | 6.98% | 9,455 | 135,499 | 6.98% | 9,458 | 135,499 | 6.45% | 8,740 |
| 26 | 346001 | Comm. Equipment Conversion | 276,994 | 4.79% | 13,256 | 273,553 | 4.81% | 13,164 | 266,738 | 4.78% | 12,750 | 266,738 | 6.04% | 16,111 |
| 27 | 346100 | Comm. Equipment (Non-Telephone) | 1,319 | 4.78% | 63 | 1,319 | 4.78% | 63 | 1,319 | 4.78% | 63 | 1,319 | 6.04% | 80 |
| 28 | 346190 | Remote Control & Instrument | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 29 | 346200 | Comm. Equipment Telephone | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 30 | 347000 | Miscellaneous Equipment | 41,344 | 2.39% | 988 | 41,344 | 2.16% | 895 | 41,344 | 2.39% | 988 | 41,344 | 2.51% | 1,038 |
| 31 | 102.1 | FAS 109 - AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | | Completed Construction not Classified | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 | | | | | | | | | | | | | | |
| 34 | | Total | 22,510,191 | | 939,539 | 24,330,250 | | 1,031,288 | 26,121,013 | | 1,096,648 | 27,552,086 | | 938,560 |
| 35 | | | | | | | | | | | | | | |
| 36 | | Allocations | | | | | | | | | | | | |
| 37 | | Northern Corporate | 15,865 | | 25 | - | | - | - | | - | - | | - |
| 38 | | State Corporate | 924,012 | | 84,482 | 978,149 | | 82,276 | 1,205,207 | | 154,597 | 1,416,014 | | 137,014 |
| 39 | | | | | | | | | | | | | | |
| 40 | | Total Average Utility Plant in Service | \$ 23,450,068 | | 1,024,047 | \$ 25,308,399 | | 1,113,564 | \$ 27,326,220 | | 1,251,246 | \$ 28,968,100 | | 1,075,575 |
| 41 | | | | | | | | | | | | | | |
| 42 | | Depreciation on Contributed Property | | | (36,092) | | | (38,076) | | | (42,244) | | | (37,196) |
| 43 | | | | | | | | | | | | | | |
| 44 | | Total Depreciation Expense | | | \$ 987,954 | | | \$ 1,075,488 | | | \$ 1,209,002 | | | \$ 1,038,378 |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 15 of 16

Exhibit No. 17.00
Lincoln
Workpaper Reference: _____

Witness Responsible: Rich Kerckhove

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|-----------|-------|---------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense | | | |
| 1 | | Intangible Plant | | | | | | | | | | | | | | | |
| 2 | 301000 | Organization | \$ 22,119 | 0.00% | \$ - | \$ 22,119 | 0.00% | \$ - | \$ 22,119 | 0.00% | \$ - | \$ 22,119 | 0.00% | \$ - | \$ 22,119 | 0.00% | \$ - |
| 3 | 302000 | Franchises | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 4 | 339600 | Other P/E - Comp. Planning | 14,981 | 26.67% | 3,995 | 29,962 | 20.00% | 5,992 | 29,962 | 0.00% | - | 29,962 | 0.00% | - | 29,962 | 0.00% | - |
| 5 | | Source of Supply Plant | | | | | | | | | | | | | | | |
| 6 | 303200 | Land and Land Rights - Source of Supply | 9,323 | 0.00% | - | 9,323 | 0.00% | - | 9,323 | 0.00% | - | 9,323 | 0.00% | - | 9,323 | 0.00% | - |
| 7 | 304100 | Structures and Improvements - SS | 152,495 | 2.92% | 4,458 | 153,188 | 2.92% | 4,472 | 153,218 | 2.92% | 4,474 | 153,218 | 2.81% | 4,305 | 153,218 | 2.81% | 4,305 |
| 8 | 305000 | Collecting and Impounding | - | 0.00% | - | - | 0.00% | - | - | 2.48% | - | - | 1.20% | - | - | 1.20% | - |
| 9 | 306000 | Lake River & Other Intakes | - | 0.00% | - | - | 0.00% | - | - | 2.04% | - | - | 3.49% | - | - | 3.49% | - |
| 10 | 307000 | Wells and Springs | 333,976 | 2.33% | 7,779 | 339,580 | 2.30% | 7,801 | 345,183 | 2.33% | 8,043 | 345,183 | 2.02% | 6,973 | 345,183 | 2.02% | 6,973 |
| 11 | 308000 | Infiltration Galleries and Tunnels | - | 0.00% | - | - | 0.00% | - | - | 1.49% | - | - | 1.19% | - | - | 1.19% | - |
| 12 | 309000 | Supply Mains | 65,182 | 1.49% | 971 | 65,182 | 1.49% | 971 | 65,182 | 1.49% | 971 | 65,182 | 1.76% | 1,147 | 65,182 | 1.76% | 1,147 |
| 13 | | Pumping Plant | | | | | | | | | | | | | | | |
| 14 | 303300 | Land and Land Rights - Production | 2,396 | 0.00% | - | 2,396 | 0.00% | - | 2,396 | 0.00% | - | 2,396 | 0.00% | - | 2,396 | 0.00% | - |
| 15 | 304200 | Structures and Improvements - Prod. | 110,163 | 4.79% | 5,279 | 115,476 | 4.70% | 5,426 | 115,850 | 4.70% | 5,445 | 115,850 | 2.49% | 2,885 | 115,850 | 2.49% | 2,885 |
| 16 | 310100 | Power Generation Equipment | 30,795 | 2.74% | 843 | 30,795 | 2.74% | 843 | 30,795 | 2.74% | 844 | 30,795 | 2.84% | 875 | 30,795 | 2.84% | 875 |
| 17 | 311200 | Pumping Equipment - Electrical | 716,255 | 3.01% | 21,551 | 898,208 | 3.31% | 29,750 | 1,080,161 | 3.01% | 32,513 | 1,080,161 | 4.81% | 51,956 | 1,080,161 | 4.81% | 51,956 |
| 18 | 311300 | Pumping Equipment - Diesel | 65,750 | 2.26% | 1,485 | 65,750 | 2.26% | 1,486 | 65,750 | 2.26% | 1,486 | 65,750 | 3.39% | 2,229 | 65,750 | 3.39% | 2,229 |
| 19 | 311500 | Pumping Equipment - Other | 84,424 | 14.28% | 12,059 | 84,424 | 14.29% | 12,061 | 84,424 | 14.29% | 12,064 | 84,424 | 2.43% | 2,052 | 84,424 | 2.43% | 2,052 |
| 20 | | Water Treatment Plant | | | | | | | | | | | | | | | |
| 21 | 303400 | Land and Land Rights - Water Treatment | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 22 | 304300 | Structures and Improvements - WT | 1,873,929 | 2.58% | 48,328 | 1,918,641 | 2.56% | 49,102 | 2,139,743 | 2.58% | 55,361 | 2,191,861 | 2.52% | 55,237 | 2,191,861 | 2.52% | 55,237 |
| 23 | 320100 | Water Treatment (Non-M) | 3,023,639 | 5.97% | 180,442 | 3,023,850 | 5.97% | 180,470 | 3,023,850 | 5.97% | 180,524 | 3,023,850 | 3.61% | 109,161 | 3,023,850 | 3.61% | 109,161 |
| 24 | 320193 | Water Treatment Equip Chemical | - | 0.00% | - | - | 0.00% | - | - | 5.10% | - | - | 3.61% | - | - | 3.61% | - |
| 25 | 320200 | Water Treatment Equip Filter Media | - | 0.00% | - | - | 0.00% | - | 1,399,349 | 7.60% | 108,812 | 2,456,635 | 4.15% | 102,058 | 2,456,635 | 4.15% | 102,058 |
| 26 | 339300 | Other P/E WT | - | 0.00% | - | - | 0.00% | - | - | 4.50% | - | - | 2.06% | - | - | 2.06% | - |
| 27 | | Transmission and Distribution Plant | | | | | | | | | | | | | | | |
| 28 | 303500 | Land and Land Rights - Transmission | 13,106 | 0.00% | - | 13,106 | 0.00% | - | 13,106 | 0.00% | - | 13,106 | 0.00% | - | 13,106 | 0.00% | - |
| 29 | 304400 | Structures and Improvements - TD | - | 0.00% | - | - | 0.00% | - | - | 2.46% | - | - | 3.30% | - | - | 3.30% | - |
| 30 | 330000 | Distribution Reservoirs and Standpipes | 366,956 | 2.46% | 9,024 | 366,956 | 2.46% | 9,024 | 366,956 | 2.46% | 9,027 | 366,956 | 2.10% | 7,706 | 366,956 | 2.10% | 7,706 |
| 31 | 330100 | Elevated Tanks and Standpipe | - | 0.00% | - | 429 | 2.87% | 12 | 857 | 2.46% | 21 | 857 | 2.10% | 18 | 857 | 2.10% | 18 |
| 32 | 330200 | Ground Level Facilities | - | 0.00% | - | - | 0.00% | - | - | 2.46% | - | - | 2.10% | - | - | 2.10% | - |
| 33 | 330300 | Below Grade Facilities | - | 0.00% | - | - | 0.00% | - | - | 2.46% | - | - | 2.10% | - | - | 2.10% | - |
| 34 | 331001 | T & D Mains Conversion | 3,868,341 | 1.82% | 70,276 | 4,352,691 | 1.81% | 78,723 | 4,819,215 | 1.82% | 87,729 | 4,947,168 | 1.58% | 78,194 | 4,947,168 | 1.58% | 78,194 |
| 35 | 331100 | TD Mains 4in & less | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.94% | - | - | 1.94% | - |
| 36 | 331200 | TD Mains 6in to 8 in | - | 0.00% | - | 1,607 | 0.30% | 5 | 3,213 | 1.82% | 58 | 3,213 | 1.53% | 49 | 3,213 | 1.53% | 49 |
| 37 | 331300 | TD Mains 10in to 16in | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.52% | - | - | 1.52% | - |
| 38 | 331400 | TD Mains 18in & greater | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.32% | - | - | 1.32% | - |
| 39 | 332000 | Fire Mains | - | 0.00% | - | - | 0.00% | - | - | 1.82% | - | - | 1.84% | - | - | 1.84% | - |
| 40 | 333000 | Services | 1,705,582 | 6.49% | 110,626 | 1,772,216 | 6.49% | 114,929 | 1,843,078 | 6.49% | 119,627 | 1,910,371 | 5.57% | 106,403 | 1,910,371 | 5.57% | 106,403 |
| 41 | 334100 | Meters | - | 0.00% | - | - | 0.00% | - | - | 14.24% | - | - | 4.74% | - | - | 4.74% | - |
| 42 | 334110 | Meters Bronze Case | 398,069 | 14.36% | 57,180 | 457,085 | 14.45% | 66,052 | 546,199 | 14.24% | 77,937 | 609,498 | 4.74% | 28,889 | 609,498 | 4.74% | 28,889 |
| 43 | 334120 | Meters Plastic Case | - | 0.00% | - | - | 0.00% | - | - | 7.39% | - | - | 0.00% | - | - | 0.00% | - |
| 44 | 334130 | Meters Other | - | 0.00% | - | - | 0.00% | - | - | 14.24% | - | - | 4.74% | - | - | 4.74% | - |
| 45 | 334200 | Meters Installations | 83,592 | 3.55% | 2,972 | 116,686 | 3.63% | 4,235 | 132,208 | 3.50% | 4,627 | 132,208 | 4.91% | 6,491 | 132,208 | 4.91% | 6,491 |
| 46 | 334300 | Meter Vaults | - | 0.00% | - | - | 0.00% | - | - | 2.68% | - | - | 3.18% | - | - | 3.18% | - |
| 47 | 335000 | Hydrants | 498,567 | 3.94% | 19,630 | 551,252 | 3.92% | 21,611 | 595,347 | 3.97% | 23,635 | 610,477 | 3.91% | 23,875 | 610,477 | 3.91% | 23,875 |
| 48 | 339500 | Other P/E TD | - | 0.00% | - | - | 0.00% | - | - | 4.50% | - | - | 2.06% | - | - | 2.06% | - |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Depreciation Expense
Period Reported: July 2005 through June 2009

Section 285.3145
Schedule C-12 First Revised
Page 16 of 16
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Lincoln - Continued
Workpaper Reference: _____

| Line No. | Object Number | Account Description | (1) | | | | | | | | | | | |
|----------|---------------|--|---|-------------------|----------------------|---|-------------------|----------------------|---|---------------------------|----------------------|---|----------------------------|----------------------|
| | | | Average Depreciable Plant for Year Jun-2006 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2007 | Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2008 | Current Depreciation Rate | Depreciation Expense | Average Depreciable Plant for Year Jun-2009 | Proposed Depreciation Rate | Depreciation Expense |
| 49 | | General Plant | | | | | | | | | | | | |
| 50 | 303600 | Land and Land Rights - Administrative | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 51 | 304500 | Structures and Improvements - AG | 71,173 | 2.78% | 1,978 | 71,173 | 2.78% | 1,978 | 71,173 | 2.78% | 1,979 | 71,173 | 2.96% | 2,107 |
| 52 | 304600 | Office Structures | 1,229 | 2.78% | 34 | 1,229 | 2.78% | 34 | 1,229 | 2.78% | 34 | 1,229 | 3.15% | 39 |
| 53 | 304700 | Stores, Shop, and Garage Structures | - | 0.00% | - | - | 0.00% | - | - | 3.11% | - | - | 2.06% | - |
| 54 | 304800 | Miscellaneous Structures | - | 0.00% | - | - | 0.00% | - | - | 2.15% | - | - | 5.27% | - |
| 55 | 339100 | Other P/E Intangible | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - |
| 56 | 340100 | Office Furniture | 235,074 | 4.46% | 10,480 | 235,074 | 4.46% | 10,481 | 235,074 | 4.46% | 10,484 | 235,074 | 3.58% | 8,416 |
| 57 | 340200 | Computer & Peripheral | 1,955 | 1.67% | 33 | 8,842 | 10.98% | 970 | 17,016 | 10.05% | 1,723 | 17,286 | 14.28% | 2,468 |
| 58 | 340210 | Personal Computers | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - |
| 59 | 340220 | Computer Periph Personal | - | 0.00% | - | - | 0.00% | - | - | 11.23% | - | - | 16.55% | - |
| 60 | 340300 | Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 16.56% | - |
| 61 | 340320 | Personal Computer Software | - | 0.00% | - | - | 0.00% | - | - | 22.45% | - | - | 14.27% | - |
| 62 | 340400 | Data Handling Equipment | - | 0.00% | - | - | 0.00% | - | - | 10.34% | - | - | 5.59% | - |
| 63 | 340500 | Other Office Equipment | 1,064 | 12.06% | 128 | 2,128 | 10.34% | 220 | 2,128 | 10.34% | 220 | 2,128 | 5.59% | 119 |
| 64 | 341001 | Transportation Equip Not Classified | - | 0.00% | - | - | 0.00% | - | - | 0.82% | - | - | 3.65% | - |
| 65 | 341100 | Light Duty Trucks | 51,881 | 11.10% | 5,757 | 51,881 | 11.10% | 5,757 | 88,324 | 11.10% | 9,835 | 152,735 | 3.36% | 5,152 |
| 66 | 341200 | Heavy Duty Trucks | 1,718 | 7.36% | 126 | 49,088 | 8.56% | 4,202 | 96,457 | 7.36% | 7,099 | 96,457 | 3.97% | 3,829 |
| 67 | 341300 | Automobiles | - | 0.00% | - | - | 0.00% | - | - | 0.00% | - | - | 4.74% | - |
| 68 | 341400 | Trans. Equipment - Other | - | 0.00% | - | - | 0.00% | - | - | 0.83% | - | - | 2.94% | - |
| 69 | 342000 | Stores Equipment | 2,325 | 4.58% | 106 | 2,325 | 4.58% | 106 | 2,325 | 4.58% | 106 | 2,325 | 2.45% | 57 |
| 70 | 343000 | Tools/Shop/Garage Equipment | 91,261 | 3.06% | 2,791 | 93,561 | 3.09% | 2,888 | 97,840 | 3.06% | 2,994 | 106,140 | 2.54% | 2,687 |
| 71 | 343100 | Tools/Shop/Garage Equipment Ot | - | 0.00% | - | - | 0.00% | - | - | 3.06% | - | - | 2.54% | - |
| 72 | 344000 | Laboratory Equipment | 16,414 | 4.65% | 763 | 18,807 | 4.76% | 895 | 21,200 | 4.65% | 986 | 21,200 | 3.85% | 816 |
| 73 | 345000 | Power Oper. Equipment | 171,657 | 6.98% | 11,977 | 171,657 | 6.98% | 11,978 | 171,657 | 6.98% | 11,982 | 171,657 | 6.45% | 11,072 |
| 74 | 346001 | Comm. Equipment Conversion | 325,799 | 4.80% | 15,637 | 328,119 | 4.78% | 15,679 | 328,119 | 4.78% | 15,684 | 328,119 | 6.04% | 19,818 |
| 75 | 346100 | Comm. Equipment (Non-Telephone) | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 76 | 346190 | Remote Control & Instrument | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 77 | 346200 | Comm. Equipment Telephone | - | 0.00% | - | - | 0.00% | - | - | 4.78% | - | - | 6.04% | - |
| 78 | 347000 | Miscellaneous Equipment | 2,915 | 2.39% | 70 | 2,915 | 2.16% | 63 | 2,915 | 2.39% | 70 | 2,915 | 2.51% | 73 |
| 79 | 102.1 | FAS 109 - AFUDC Debt | - | - | - | - | - | - | - | - | - | - | - | - |
| 80 | | Completed Construction not Classified | - | - | - | - | - | - | - | - | - | - | - | - |
| 81 | | | | | | | | | | | | | | |
| 82 | | Total | 14,414,105 | | 606,776 | 15,427,721 | | 648,216 | 18,022,940 | | 796,395 | 19,479,002 | | 647,156 |
| 83 | | | | | | | | | | | | | | |
| 84 | | Allocations | | | | | | | | | | | | |
| 85 | | Northern Corporate | 6,440 | | 10 | - | | - | - | | - | - | | - |
| 86 | | State Corporate | 375,069 | | 34,292 | 397,044 | | 33,397 | 489,210 | | 62,753 | 574,779 | | 55,616 |
| 87 | | | | | | | | | | | | | | |
| 88 | | Total Average Utility Plant in Service | <u>\$ 14,795,614</u> | | 641,079 | <u>\$ 15,824,765</u> | | 681,613 | <u>\$ 18,512,150</u> | | 859,148 | <u>\$ 20,053,781</u> | | 702,772 |
| 89 | | | | | | | | | | | | | | |
| 90 | | Depreciation on Contributed Property | | | (12,494) | | | (12,507) | | | (12,645) | | | (10,977) |
| 91 | | | | | | | | | | | | | | |
| 92 | | Total Depreciation Expense | | | <u>\$ 628,585</u> | | | <u>\$ 669,106</u> | | | <u>\$ 846,504</u> | | | <u>\$ 691,794</u> |

(1) Prior year ending June 2008 consists of zero months of actual and twelve months of forecasted data.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Affiliated Interest Transactions
Period Reported: July 2005 through June 2009

Section 285.3150
Schedule C-13 First Revised
Page 1 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Period of Transaction | Company | Nature | Dollar Amount | Docket No. |
|----------|-----------------------------|------------------------------------|-------------------------------|---------------|------------------|
| 1 | Jun-2009 | American Water - Carbon Services | Carbon Lease | \$ 300,084 | No approval Req. |
| 2 | | | | | |
| 3 | Jun-2009 | American Water Capital Corp. | Short-Term Debt Interest | - | 04-0582 |
| 4 | | | | | |
| 5 | Jun-2009 | American Water Capital Corp. | Service Fees | 78,364 | 04-0582 |
| 6 | | | | | |
| 7 | Jun-2009 | American Water Works Co./Cap Corp. | Common Dividends | 10,703,326 | 04-0582 |
| 8 | | | | | |
| 9 | Jun-2009 | American Water Works Service Co. | Mmgt Fees-Corporate | 12,661,318 | 04-0595 |
| 10 | | | Mmgt Fees Bsn Change-Corp | - | 04-0595 |
| 11 | | | Mmgt Fees P13880-Corp | 12,665 | 04-0595 |
| 12 | | | Mmgt Fees-Region | 5,849,769 | 04-0595 |
| 13 | | | Mmgt Fees Bsn Change-Regi | - | 04-0595 |
| 14 | | | Mmgt Fees P13880-Region | - | 04-0595 |
| 15 | | | | | |
| 16 | Jun-2009 | American Water Capital Corp. | Long-Term Debt Issuance Costs | 48,426 | 04-0582 |
| 17 | | | | | |
| 18 | Jun-2009 | American Water Works Service Co. | 401K | 248,902 | 04-0595 |
| 19 | | | | | |
| 20 | Jun-2009 | American Water Works Co. | Federal Income Tax 1999-2000 | 685,989 | 04-0582 |
| 21 | | | | | |
| 22 | Jun-2009 | American Water Resources | Woodridge Office Bldg Rent | 530,720 | 04-0597 |
| 23 | | | | | |
| 24 | Jun-2009 | American Lake Water Co. | Purchased Water - Inside | 10,288,109 | 04-0594 |
| 25 | | | | | |
| 26 | Jun-2009 | American Water Capital Corp. | Interest on Long Term Debt | - | 04-0582 |
| 27 | | | | | |
| 28 | <u>Debt From Parent Co.</u> | | | | |
| 29 | Jun-2009 | American Water Capital Corp. | Bonds - Inside | 242,325,000 | 04-0582 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Affiliated Interest Transactions
Period Reported: July 2005 through June 2009

Section 285.3150
Schedule C-13 First Revised
Page 2 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Period of Transaction | Company | Nature | Dollar Amount | Docket No. |
|----------|-----------------------------|------------------------------------|-------------------------------|---------------|------------------|
| 1 | Jun-2008 | American Water - Carbon Services | Carbon Lease | \$ 298,232 | No approval Req. |
| 2 | | | | | |
| 3 | Jun-2008 | American Water Capital Corp. | Short-Term Debt Interest | 548,673 | 04-0582 |
| 4 | | | | | |
| 5 | Jun-2008 | American Water Capital Corp. | Service Fees | 73,597 | 04-0582 |
| 6 | | | | | |
| 7 | Jun-2008 | American Water Works Co./Cap Corp. | Common Dividends | 798,380 | 04-0582 |
| 8 | | | | | |
| 9 | Jun-2008 | American Water Works Service Co. | Mmgt Fees-Corporate | 12,754,745 | 04-0595 |
| 10 | | | Mmgt Fees Bsn Change-Corp | - | 04-0595 |
| 11 | | | Mmgt Fees P13880-Corp | 1,062,636 | 04-0595 |
| 12 | | | Mmgt Fees-Region | 5,889,784 | 04-0595 |
| 13 | | | Mmgt Fees Bsn Change-Regi | - | 04-0595 |
| 14 | | | Mmgt Fees P13880-Region | - | 04-0595 |
| 15 | | | | | |
| 16 | Jun-2008 | American Water Capital Corp. | Long-Term Debt Issuance Costs | 49,142 | 04-0582 |
| 17 | | | | | |
| 18 | Jun-2008 | American Water Works Service Co. | 401K | 227,899 | 04-0595 |
| 19 | | | | | |
| 20 | Jun-2008 | American Water Works Co. | Federal Income Tax 1999-2000 | 1,778,947 | 04-0582 |
| 21 | | | | | |
| 22 | Jun-2008 | American Water Resources | Woodridge Office Bldg Rent | 528,432 | 04-0597 |
| 23 | | | | | |
| 24 | Jun-2008 | American Lake Water Co. | Purchased Water - Inside | 9,869,261 | 04-0594 |
| 25 | | | | | |
| 26 | Jun-2008 | American Water Capital Corp. | Interest on Long Term Debt | 6,403,806 | 04-0582 |
| 27 | | | | | |
| 28 | <u>Debt From Parent Co.</u> | | | | |
| 29 | Jun-2008 | American Water Capital Corp. | Bonds - Inside | 227,325,000 | 04-0582 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Affiliated Interest Transactions
Period Reported: July 2005 through June 2009

Section 285.3150
Schedule C-13 First Revised
Page 3 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Period of Transaction | Company | Nature | Dollar Amount | Docket No. |
|----------|-----------------------------|------------------------------------|-------------------------------|---------------|------------------|
| 1 | Jun-2007 | American Water - Carbon Services | Carbon Lease | \$ 346,721 | No approval Req. |
| 2 | | | | | |
| 3 | Jun-2007 | American Water Capital Corp. | Short-Term Debt Interest | 3,440,642 | 04-0582 |
| 4 | | | | | |
| 5 | Jun-2007 | American Water Capital Corp. | Service Fees | 86,245 | 04-0582 |
| 6 | | | | | |
| 7 | Jun-2007 | American Water Works Co./Cap Corp. | Common Dividends | 5,332,284 | 04-0582 |
| 8 | | | | | |
| 9 | Jun-2007 | American Water Works Service Co. | Mmgt Fees-Corporate | 11,748,826 | 04-0595 |
| 10 | | | Mmgt Fees Bsn Change-Corp | 71,099 | 04-0595 |
| 11 | | | Mmgt Fees P13880-Corp | 2,609,351 | 04-0595 |
| 12 | | | Mmgt Fees-Region | 4,850,237 | 04-0595 |
| 13 | | | Mmgt Fees Bsn Change-Regi | - | 04-0595 |
| 14 | | | Mmgt Fees P13880-Region | 119,563 | 04-0595 |
| 15 | | | | | |
| 16 | Jun-2007 | American Water Capital Corp. | Long-Term Debt Issuance Costs | 50,278 | 04-0582 |
| 17 | | | | | |
| 18 | Jun-2007 | American Water Works Service Co. | 401K | 328,171 | 04-0595 |
| 19 | | | | | |
| 20 | Jun-2007 | American Water Works Co. | Federal Income Tax 1999-2000 | (2,226,793) | 04-0582 |
| 21 | | | | | |
| 22 | Jun-2007 | American Water Resources | Woodridge Office Bldg Rent | 264,043 | 04-0597 |
| 23 | | | | | |
| 24 | Jun-2007 | American Lake Water Co. | Purchased Water - Inside | 4,948,699 | 04-0594 |
| 25 | | | | | |
| 26 | Jun-2007 | American Water Capital Corp. | Interest on Long Term Debt | 8,216,772 | 04-0582 |
| 27 | | | | | |
| 28 | <u>Debt From Parent Co.</u> | | | | |
| 29 | Jun-2007 | American Water Capital Corp. | Bonds - Inside | 197,325,000 | 04-0582 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Summary of Affiliated Interest Transactions
Period Reported: July 2005 through June 2009

Section 285.3150
Schedule C-13 First Revised
Page 4 of 4
Witness Responsible: Scott Rungren

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | Period of Transaction | Company | Nature | Dollar Amount | Docket No. |
|----------|-----------------------------|------------------------------------|-------------------------------|---------------|------------------|
| 1 | Jun-2006 | American Water - Carbon Services | Carbon Lease | \$ 318,672 | No approval Req. |
| 2 | | | | | |
| 3 | Jun-2006 | American Water Capital Corp. | Short-Term Debt Interest | 1,716,775 | 04-0582 |
| 4 | | | | | |
| 5 | Jun-2006 | American Water Capital Corp. | Service Fees | 76,649 | 04-0582 |
| 6 | | | | | |
| 7 | Jun-2006 | American Water Works Co./Cap Corp. | Common Dividends | 11,023,542 | 04-0582 |
| 8 | | | | | |
| 9 | Jun-2006 | American Water Works Service Co. | Mmgt Fees-Corporate | 11,039,746 | 04-0595 |
| 10 | | | Mmgt Fees Bsn Change-Corp | 427,098 | 04-0595 |
| 11 | | | Mmgt Fees P13880-Corp | 539,790 | 04-0595 |
| 12 | | | Mmgt Fees-Region | 4,551,703 | 04-0595 |
| 13 | | | Mmgt Fees Bsn Change-Regi | (145) | 04-0595 |
| 14 | | | Mmgt Fees P13880-Region | 53,010 | 04-0595 |
| 15 | | | | | |
| 16 | Jun-2006 | American Water Capital Corp. | Long-Term Debt Issuance Costs | 75,996 | 04-0582 |
| 17 | | | | | |
| 18 | Jun-2006 | American Water Works Service Co. | 401K | 255,491 | 04-0595 |
| 19 | | | | | |
| 20 | Jun-2006 | American Water Works Co. | Federal Income Tax 1999-2000 | 11,253,704 | 04-0582 |
| 21 | | | | | |
| 22 | Jun-2006 | American Water Resources | Woodridge Office Bldg Rent | 528,083 | 04-0597 |
| 23 | | | | | |
| 24 | Jun-2006 | American Lake Water Co. | Purchased Water - Inside | 11,055,861 | 04-0594 |
| 25 | | | | | |
| 26 | Jun-2006 | American Water Capital Corp. | Interest on Long Term Debt | 7,531,822 | 04-0582 |
| 27 | | | | | |
| 28 | <u>Debt From Parent Co.</u> | | | | |
| 29 | Jun-2006 | American Water Capital Corp. | Bonds - Inside | 53,325,000 | 04-0582 |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Uncollectible Expense
Period Reported: July 2008 through June 2009

Section 285.3165
Schedule C-16 First Revised
Page 1 of 3
Witness Responsible: Rich Kerckhove

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

| Line No. | | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Metro Water | Chicago Metro Waste Water | Champaign | Sterling | Pekin | Lincoln |
|----------|--|----------------|---|---------------------|---------------------------|---------------|--------------|--------------|--------------|
| 1 | Uncollectible Accounts Expense at Present Rates | \$ 1,932,689 | \$ 1,008,055 | \$ 421,949 | \$ 140,375 | \$ 228,909 | \$ 38,371 | \$ 59,012 | \$ 36,018 |
| 2 | | | | | | | | | |
| 3 | Adjustment | 357,541 | 189,584 | 22,346 | (8,625) | 130,093 | 9,355 | 14,788 | - |
| 4 | | | | | | | | | |
| 5 | Uncollectible Accounts Expense at Required Rates | \$ 2,290,230 | \$ 1,197,639 | \$ 444,295 | \$ 131,750 | \$ 359,002 | \$ 47,726 | \$ 73,800 | \$ 36,018 |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | Required Increase in Revenues | \$ 32,823,003 | \$ 17,404,181 | \$ 2,051,400 | \$ (791,770) | \$ 11,942,819 | \$ 858,806 | \$ 1,357,567 | \$ - |
| 9 | | | | | | | | | |
| 10 | Uncollectible Ratio | 0.01089 | 0.01089 | 0.01089 | 0.01089 | 0.01089 | 0.01089 | 0.01089 | 0.01089 |
| 11 | | | | | | | | | |
| 12 | Uncollectible Accounts Adjustment | \$ 357,541 | \$ 189,584 | \$ 22,346 | \$ (8,625) | \$ 130,093 | \$ 9,355 | \$ 14,788 | \$ - |
| 13 | | | | | | | | | |
| 14 | | | | | | | | | |
| 15 | Test Year Water/Waste Water Revenues | \$ 177,420,908 | | | | | | | |
| 16 | Test Year Uncollectible Accounts Expense | 1,932,689 | | | | | | | |
| 17 | Uncollectible Ratio | 0.010893 | | | | | | | |
| 18 | | | | | | | | | |
| 19 | Jun-2008 | | | | | | | | |
| 20 | Revenue used in Calculation | \$ 175,410,196 | \$ 92,234,146 | \$ 38,223,101 | \$ 12,823,011 | \$ 20,169,540 | \$ 3,497,357 | \$ 5,172,585 | \$ 3,290,456 |
| 21 | Uncollectible Expense | 1,944,326 | 1,014,124 | 424,490 | 141,220 | 230,288 | 38,602 | 59,368 | 36,235 |
| 22 | Uncollectible Expense % | 1.108% | 1.100% | 1.111% | 1.101% | 1.142% | 1.104% | 1.148% | 1.101% |
| 23 | | | | | | | | | |
| 24 | Jun-2007 | | | | | | | | |
| 25 | Revenue used in Calculation | \$ 171,046,733 | \$ 89,781,121 | \$ 36,729,584 | \$ 13,140,294 | \$ 20,000,464 | \$ 3,321,050 | \$ 5,051,452 | \$ 3,022,768 |
| 26 | Uncollectible Expense | 2,197,838 | 1,146,352 | 479,837 | 159,633 | 260,314 | 43,635 | 67,108 | 40,959 |
| 27 | Uncollectible Expense % | 1.285% | 1.277% | 1.306% | 1.215% | 1.302% | 1.314% | 1.328% | 1.355% |
| 28 | | | | | | | | | |
| 29 | Jun-2006 | | | | | | | | |
| 30 | Revenue used in Calculation | \$ 173,856,448 | \$ 88,942,915 | \$ 39,848,549 | \$ 13,063,383 | \$ 20,379,590 | \$ 3,310,812 | \$ 5,152,036 | \$ 3,159,163 |
| 31 | Uncollectible Expense | 2,232,950 | 1,142,351 | 511,801 | 167,781 | 261,748 | 42,523 | 66,171 | 40,575 |
| 32 | Uncollectible Expense % | 1.284% | 1.284% | 1.284% | 1.284% | 1.284% | 1.284% | 1.284% | 1.284% |

34 The following adjustments have been made to uncollectible accounts expense under present rates in order to reflect the effect of the proposed rate increase on this particular expense.
35 The adjustment was calculated by multiplying the test year ration of uncollectible accounts expense to billed revenues by the proposed revenue increase.
36 Additional information is provided for uncollectible expense, allowance for bad debts, and collection agencies below.

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Allowance for Bad Debts and Collection Agency Arrangements
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3165
Schedule C-16 First Revised
Page 2 of 3
Witness Responsible: Rich Kerckhove

| Line No. | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Metro Water | Chicago Metro Waste Water | Champaign | Sterling | Pekin | Lincoln | |
|----------|---|---|------------------------|------------------------------|------------------|-------------------|------------------|------------------|------------------|
| 1 | Jun-2006 | | | | | | | | |
| 2 | Uncollectible Revenue Provision for Bad Debt | | | | | | | | |
| 3 | Beginning of Year Balance | \$ 606,257 | \$ 312,143 | \$ 89,881 | \$ 44,147 | \$ 106,721 | \$ 13,409 | \$ 28,419 | \$ 11,536 |
| 4 | Reserve Accrual | 301,309 | 155,345 | 44,700 | 21,955 | 52,948 | 6,491 | 14,133 | 5,737 |
| 5 | * Adjustments | (239) | 49 | 21 | 10 | 25 | (354) | 7 | 3 |
| 6 | End of year balance | <u>\$ 907,326</u> | <u>\$ 467,537</u> | <u>\$ 134,602</u> | <u>\$ 66,112</u> | <u>\$ 159,694</u> | <u>\$ 19,546</u> | <u>\$ 42,559</u> | <u>\$ 17,276</u> |
| 7 | | | | | | | | | |
| 8 | * Adjustment explanation: Reclass. | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | Uncollectible Write-offs and Recoveries | | | | | | | | |
| 11 | Write-offs | \$ 2,247,394 | \$ 1,158,682 | \$ 333,407 | \$ 163,757 | \$ 394,927 | \$ 48,415 | \$ 105,415 | \$ 42,791 |
| 12 | Recoveries | \$ (315,753) | \$ (162,792) | \$ (46,843) | \$ (23,007) | \$ (55,486) | \$ (6,802) | \$ (14,811) | \$ (6,012) |
| 13 | | | | | | | | | |
| 14 | Miscellaneous Invoice Provision for Bad Debt | | | | | | | | |
| 15 | Beginning of Year Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 16 | Reserve Accrual | 26,001 | 13,405 | 3,857 | 1,895 | 4,569 | 560 | 1,220 | 495 |
| 17 | End of year balance | <u>\$ 26,001</u> | <u>\$ 13,405</u> | <u>\$ 3,857</u> | <u>\$ 1,895</u> | <u>\$ 4,569</u> | <u>\$ 560</u> | <u>\$ 1,220</u> | <u>\$ 495</u> |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | Jun-2007 | | | | | | | | |
| 21 | Uncollectible Revenue Provision for Bad Debt | | | | | | | | |
| 22 | Beginning of Year Balance | \$ 907,326 | \$ 467,537 | \$ 134,602 | \$ 66,112 | \$ 159,694 | \$ 19,546 | \$ 42,559 | \$ 17,276 |
| 23 | Reserve Accrual | 417,883 | 230,706 | 45,246 | 22,223 | 79,919 | 9,797 | 21,333 | 8,659 |
| 24 | * Adjustments | (15) | (13) | (1) | - | (1) | - | - | - |
| 25 | End of year balance | <u>\$ 1,325,194</u> | <u>\$ 698,230</u> | <u>\$ 179,847</u> | <u>\$ 88,335</u> | <u>\$ 239,612</u> | <u>\$ 29,343</u> | <u>\$ 63,892</u> | <u>\$ 25,935</u> |
| 26 | | | | | | | | | |
| 27 | * Adjustment explanation: Reclass. | | | | | | | | |
| 28 | | | | | | | | | |
| 29 | Uncollectible Write-offs and Recoveries | | | | | | | | |
| 30 | Write-offs | \$ 2,091,094 | \$ 1,154,457 | \$ 226,412 | \$ 111,204 | \$ 399,916 | \$ 49,024 | \$ 106,751 | \$ 43,330 |
| 31 | Recoveries | \$ (311,139) | \$ (171,775) | \$ (33,688) | \$ (16,546) | \$ (59,505) | \$ (7,294) | \$ (15,884) | \$ (6,447) |
| 32 | | | | | | | | | |
| 33 | Miscellaneous Invoice Provision for Bad Debt | | | | | | | | |
| 34 | Beginning of Year Balance | \$ 26,001 | \$ 13,405 | \$ 3,857 | \$ 1,895 | \$ 4,569 | \$ 560 | \$ 1,220 | \$ 495 |
| 35 | Reserve Accrual | 2,624 | 1,470 | 279 | 137 | 493 | 60 | 132 | 53 |
| 36 | End of year balance | <u>\$ 28,625</u> | <u>\$ 14,875</u> | <u>\$ 4,136</u> | <u>\$ 2,032</u> | <u>\$ 5,062</u> | <u>\$ 620</u> | <u>\$ 1,352</u> | <u>\$ 548</u> |

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 07-0507
Allowance for Bad Debts and Collection Agency Arrangements
Period Reported: July 2008 through June 2009

Exhibit No. 17.00
Total Company
Workpaper Reference: _____

Section 285.3165
Schedule C-16 First Revised
Page 3 of 3
Witness Responsible: Rich Kerckhove

| Line No. | Total Company | Southern/Peoria/ Streator/Pontiac/ South Beloit | Chicago Metro Water | Chicago Metro Waste Water | Champaign | Sterling | Pekin | Lincoln | |
|----------|---|---|------------------------|------------------------------|-------------------|-------------------|------------------|------------------|------------------|
| 1 | Jun-2008 | | | | | | | | |
| 2 | Uncollectible Revenue Provision for Bad Debt | | | | | | | | |
| 3 | Beginning of Year Balance | \$ 1,325,194 | \$ 698,230 | \$ 179,847 | \$ 88,335 | \$ 239,612 | \$ 29,343 | \$ 63,892 | \$ 25,935 |
| 4 | Reserve Accrual | 319,238 | 168,203 | 43,325 | 21,280 | 57,722 | 7,069 | 15,392 | 6,248 |
| 5 | Adjustments | - | - | - | - | - | - | - | - |
| 6 | End of year balance | <u>\$ 1,644,432</u> | <u>\$ 866,433</u> | <u>\$ 223,172</u> | <u>\$ 109,615</u> | <u>\$ 297,335</u> | <u>\$ 36,412</u> | <u>\$ 79,284</u> | <u>\$ 32,182</u> |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | Uncollectible Write-offs and Recoveries | | | | | | | | |
| 11 | Write-offs | \$ 1,925,784 | \$ 1,014,674 | \$ 261,355 | \$ 128,369 | \$ 348,207 | \$ 42,641 | \$ 92,849 | \$ 37,689 |
| 12 | Recoveries | \$ (300,696) | \$ (158,433) | \$ (40,808) | \$ (20,044) | \$ (54,370) | \$ (6,658) | \$ (14,498) | \$ (5,885) |
| 13 | | | | | | | | | |
| 14 | Miscellaneous Invoice Provision for Bad Debt | | | | | | | | |
| 15 | Beginning of Year Balance | \$ 28,625 | \$ 14,875 | \$ 4,136 | \$ 2,032 | \$ 5,062 | \$ 620 | \$ 1,352 | \$ 548 |
| 16 | Reserve Accrual | - | - | - | - | - | - | - | - |
| 17 | End of year balance | <u>\$ 28,625</u> | <u>\$ 14,875</u> | <u>\$ 4,136</u> | <u>\$ 2,032</u> | <u>\$ 5,062</u> | <u>\$ 620</u> | <u>\$ 1,352</u> | <u>\$ 548</u> |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | Jun-2009 | | | | | | | | |
| 21 | Uncollectible Revenue Provision for Bad Debt | | | | | | | | |
| 22 | Beginning of Year Balance | \$ 1,644,432 | \$ 866,433 | \$ 223,172 | \$ 109,615 | \$ 297,335 | \$ 36,412 | \$ 79,284 | \$ 32,182 |
| 23 | Reserve Accrual | 317,583 | 167,331 | 43,100 | 21,170 | 57,423 | 7,032 | 15,312 | 6,215 |
| 24 | Adjustments | - | - | - | - | - | - | - | - |
| 25 | End of year balance | <u>\$ 1,962,015</u> | <u>\$ 1,033,764</u> | <u>\$ 266,272</u> | <u>\$ 130,784</u> | <u>\$ 354,758</u> | <u>\$ 43,444</u> | <u>\$ 94,596</u> | <u>\$ 38,398</u> |
| 26 | | | | | | | | | |
| 27 | | | | | | | | | |
| 28 | | | | | | | | | |
| 29 | Uncollectible Write-offs and Recoveries | | | | | | | | |
| 30 | Write-offs | \$ 1,915,802 | \$ 1,009,415 | \$ 260,000 | \$ 127,704 | \$ 346,402 | \$ 42,420 | \$ 92,368 | \$ 37,493 |
| 31 | Recoveries | \$ (300,696) | \$ (158,433) | \$ (40,808) | \$ (20,044) | \$ (54,370) | \$ (6,658) | \$ (14,498) | \$ (5,885) |
| 32 | | | | | | | | | |
| 33 | Miscellaneous Invoice Provision for Bad Debt | | | | | | | | |
| 34 | Beginning of Year Balance | \$ 28,625 | \$ 14,875 | \$ 4,136 | \$ 2,032 | \$ 5,062 | \$ 620 | \$ 1,352 | \$ 548 |
| 35 | Reserve Accrual | - | - | - | - | - | - | - | - |
| 36 | End of year balance | <u>\$ 28,625</u> | <u>\$ 14,875</u> | <u>\$ 4,136</u> | <u>\$ 2,032</u> | <u>\$ 5,062</u> | <u>\$ 620</u> | <u>\$ 1,352</u> | <u>\$ 548</u> |
| 37 | | | | | | | | | |
| 38 | Collection Agency Expense ** | | | | | | | | |
| 39 | Collection Agency Expense-2006 | \$ 70,355 | \$ 36,105 | \$ 16,191 | \$ 5,308 | \$ 8,044 | \$ 1,330 | \$ 2,093 | \$ 1,284 |
| 40 | Collection Agency Expense-2007 | \$ 69,327 | \$ 36,160 | \$ 15,136 | \$ 5,035 | \$ 8,211 | \$ 1,376 | \$ 2,117 | \$ 1,292 |
| 41 | Collection Agency Expense-2008 | \$ 67,000 | \$ 34,946 | \$ 14,628 | \$ 4,866 | \$ 7,936 | \$ 1,330 | \$ 2,046 | \$ 1,249 |
| 42 | Collection Agency Expense-2009 | \$ 67,000 | \$ 34,946 | \$ 14,628 | \$ 4,866 | \$ 7,936 | \$ 1,330 | \$ 2,046 | \$ 1,249 |
| 43 | | | | | | | | | |
| 44 | **July through June year. | | | | | | | | |