

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

In the Matter of the Petition of)
Illinois-American Water Company for)
an extension of time to comply with) Docket 07-_____
certain requirements of Docket)
05-0681 (cons.) regarding Chicago)
Metro District meter replacements)

PETITION FOR EXTENSION OF TIME

TO THE ILLINOIS COMMERCE COMMISSION, SPRINGFIELD, ILLINOIS:

NOW COMES Illinois-American Water Company ("IAWC" or "Company"), through its undersigned counsel, and files this Petition for an Extension of Time to complete the portion of its meter replacement program in the Chicago Metro District presently required to be completed by December 31, 2007. In support of this motion, IAWC states as follows:

1. IAWC is a duly incorporated company, incorporated under the laws of the State of Illinois on August 15, 1916, and is duly authorized to do business in the State of Illinois. It is a public utility within the meaning of the Act of the General Assembly of the State of Illinois entitled "An Act Concerning Public Utilities", approved June 29, 1916, and enforced July 1, 1921, as amended, and is now engaged in the business of furnishing potable water service to the public of the State of Illinois.

2. The post office address of Petitioner is 100 North Water Works Drive, P. O. Box 24040, Belleville, Illinois 62223-9040.

3. Petitioner provides water and/or sanitary sewer services in several counties in Illinois, including certain areas in the Chicago area.

4. Under Illinois Commerce Commission ("Commission") rules, IAWC is required to, "unless otherwise approved by the Commission," periodically inspect and test customer meters

in accordance with a prescribed schedule. 83 Ill. Adm. Code 600.340. For 5/8" residential meters, the standard inspection period is ten years. *Id.*

5. IAWC typically elects to replace residential meters rather than test them, and schedules meter replacements with customers by issuing a letter asking the customer to call and set up an appointment for replacement. All residential meters utilized in the Chicago Metro area are located inside the customer's residence. As a result, the meter replacement process requires cooperation from customers, i.e., the Company must schedule an appointment to gain access to customer residence in order to replace the meter. (In some areas of the state, meters are located outside the home and thus can be changed much more efficiently, as the Company does not have to make appointments to gain access to the meter) If a customer does not make an appointment to replace their meter, the Company issues a series of at least three notice letters to the customers informing them that IAWC needs to repair or replace the customer's meter. If the customer refuses to allow the Company to replace a meter, the Company is authorized by its tariff to discontinue service. (Rule 9.01(g), ILL. C.C. No. 4, Sheet No. 23).

6. IAWC acquired the water and wastewater facilities that make up its Chicago Metro District—including the customer meters—when IAWC acquired the assets of Citizens Utilities Company of Illinois ("Citizens") on January 15, 2002, pursuant to the Order of the Commission in Docket No. 00-0476. Although Citizen's facilities were in generally good condition, Citizens' meter infrastructure was outdated, and its meter change program was well behind schedule.

7. Recognizing that Citizen's meter infrastructure was outdated, and that the Chicago Metro District had a significant backlog of meter change-outs due under the Commission's rules at the time IAWC purchased Citizens, commencing in 2003 IAWC initiated a program ("Meter

Replacement Program") to install state-of-the-art Automatic Meter Reading systems (also known as radio-read systems) throughout the Chicago Metro District.

8. In Docket Nos. 05-0681/06-0094/06-0095 (consol.) ("Docket 05-0681"), IAWC committed to complete all meter replacements in Chicago Metro, aside from meters in the Bolingbrook area, by the end of 2007. Thus, pursuant to the Commission Order in Docket 05-0681 (dated April 18, 2007) ("Docket 05-0681 Order"), IAWC was directed to complete its Meter Replacement Program, including all meter replacements in its Chicago Metro service area, by the end of 2007 (but excluding the Bolingbrook area, which must be completed by 2010).¹

9. IAWC has worked to complete these replacements in timely fashion. As of November, 2007, IAWC has completed approximately 25,600 meter replacements through the Meter Replacement Program in the Chicago Metro District. In all cases, IAWC has worked with customers and local officials to ensure that the Meter Replacement Program operates effectively. For example, at the request of officials from the Village of Orland Hills, IAWC delayed meter replacement from the summer of 2007 to the fall of 2007. Of the meters that IAWC has committed to replace by December 31, 2007, however, IAWC still has approximately 1,240 residential customer meters to replace (the "Outstanding Replacements") as of the date of this filing, including a significant number in Orland Hills. Recently, IAWC has experienced significant customer resistance in the provision of access to their homes. In particular, IAWC has experienced such resistance in Orland Hills.

10. While the Company has the resources to change at least 2,000 meters per month if the appointment schedule were full, the Company has been unsuccessful in getting certain customers to call to schedule appointments on a timely basis. Recognizing the need to complete the Meter

¹ The text of the Order reads "The Commission will hold the company to its proposed schedule for meter replacements, i.e., complete the Meter Replacement Program by 2010 and all meter replacements in Chicago Metro completed by the end of 2007, aside from the Bolingbrook area." See Docket 05-0681 Order, p. 14.

Replacement Program by 2007 as required by the Docket 05-0681 Order, and not wishing to subject large numbers of customers to shut-off notices, IAWC has undertaken a number of additional steps to attempt to complete the Outstanding Replacements in a manner that provides customers with the greatest level of convenience. These steps include:

- Offered meter change out appointments during evenings and Saturdays for the customers' convenience.
- Instituted a "cold-call" program where contractor or IAWC employees would visit neighborhoods going door to door to schedule meter change out and address customer concerns.
- Hired additional employees and implemented new technology to repair customer b-boxes, so that meter changeouts would not be have to be rescheduled due to non-working b-boxes.
- Developed notice letters specifically tailored to address the concerns of customers in Orland Hills regarding meter exchanges.
- Where appropriate, contacting customers by phone to schedule appointments prior to discontinuing service.

11. Despite these measures, however, the Company anticipates that it will not be able to complete the required Outstanding Replacements by December 31, 2007 without sending disconnection notices to large numbers of customers. The Company would prefer to work with customers to arrange for meter exchanges without having to issue such notices. The onset of colder weather and the holiday season will also make it more difficult to schedule appointments and successfully replace the necessary meters. The Company does expect that, by continuing to implement the practices set forth in Paragraph 10 above, it will be able to complete the

Outstanding Replacements by May 1, 2008, while minimizing disconnections. Therefore, the Company requests an extension of time to comply with the requirements of the Docket 05-0681 Order regarding the Meter Replacement Program for all Chicago Metro areas other than Bolingbrook.

12. The Company believes this request is reasonable in light of 83 Ill. Adm. Code 600.340, which requires each service water meter shall be periodically inspected and tested "unless otherwise approved by the Commission", the limited length of the delay, and the Company's desire to complete the Outstanding Replacements while minimizing the need to issue shut-off notices.

WHEREFORE, Petitioner requests that the Commission grant IAWC's request for an extension of time to May 1, 2008 to complete the Meter Replacement Program in IAWC's Chicago Metro service area (except Bolingbrook), and grant such further relief as may be just, reasonable and appropriate.

Respectfully submitted,

ILLINOIS-AMERICAN WATER COMPANY

/s/ Albert D. Sturtevant

One of its attorneys

Of counsel:

Boyd J. Springer
Albert D. Sturtevant
JONES DAY
77 West Wacker Drive
Suite 3500
Chicago, Illinois 60601-1692
(312) 782-3939
bjspringer@jonesday.com
adsturtevant@jonesday.com

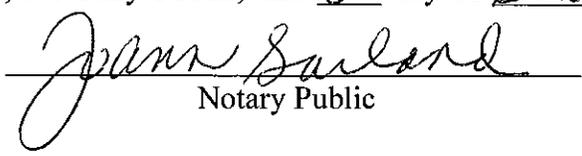
John J. Reichart
Corporate Counsel
Illinois-American Water Company
727 Craig Road
St. Louis, MO 63141

STATE OF ILLINOIS)
) ss.
COUNTY OF ST. CLAIR)

I, Fred L. Ruckman, being first duly sworn on oath, depose and state that I am a General Manager, Network of Illinois-American Water Company, an Illinois corporation; that I have read the above and foregoing Petition by me subscribed and know the contents thereof; and that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and, as to those, I believe same to be true.



Subscribed and sworn to before me, a Notary Public, this 6th day of December, 2007.



Notary Public

(SEAL)

