

Proposed Test Year Period: Future
 Period Reported: Average 2008

Cost of Short-term Debt

<u>Line</u>	<u>Lender Bank (Line of Credit) (A)</u>	<u>Workpaper Reference (B)</u>	<u>Ave. Orig. Term to Maturity (C)</u>	<u>Future Test Year 12 Mo. Wtd. Ave. Amount Outstanding (D)</u>	<u>Ave. Interest Rate (E)</u>	<u>Interest Requirement (F)</u>
1	National City	WP-D2, page 1	10	\$ 6,137,500	5.97% (1)	\$ 366,409
2						
3						
4						
5	CoBank	WP-D2, page 1		_____ -		_____ -
6						
7						
8						
9						
10	Total			\$ 6,137,500		\$ 366,409

Cost of Short-Term Debt: 5.97%

(1) National City Bank interest rate is 65 basis points over LIBOR - (30 - 360 days); Company has assumed 5.32% LIBOR plus 65 basis points = 5.97% throughout 2008 test year. Interest rate - related documents are attached.

The Company utilizes proceeds from lender bank credit lines to support in part operating activities and capital expenditures. Short-term debt typically varies as a percentage to total capital as construction work in progress varies as a percentage to utility plant in service.

The Company uses the current short term debt interest rate, where Ai = s for purposes of calculating AFUDC rates.

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AQUA ILLINOIS, INC.

Hawthorn Woods Sewer Division
Rate Case Docket No. 07-

Schedule

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Person Responsible:

P. Hanley

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