

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Del Mar Water Company)
)
Petition pursuant to Section 9-220.2 of the Illinois)
Public Utilities Act and 83 Illinois Administrative) Docket No.
Code 200 for the approval of the annual)
reconciliation for and the resulting decrease in)
the surcharge for purchased water.)

PETITION

Now comes Del Mar Water Company (“Del Mar” or the “Company”), pursuant to Section 9-220.2 of the Public Utilities Act (the “Act”), 220 ILCS 5/9-220.2, and hereby requests that the Illinois Commerce Commission (the “Commission”) enter an order approving the annual reconciliation for the surcharge for purchased water, and thereby approve a decrease in the surcharge for purchased water. In support of its Petition, the Company states as follows:

1. Del Mar is a public utility within the meaning of the Act and is engaged in the business of furnishing water public utility service to the public in a subdivision near Lake Forest, Illinois.
2. The Company’s schedule ILL.C.C. No. 11, Fourth Revised Information Sheet No. 1 provides a surcharge for water service to compensate the Company for the amount payable to the City of Lake Forest for purchased water for the Del Mar subdivision. This schedule was filed on March 16, 2007 and the respective surcharge for purchased water (the “effective surcharge”) was effective as of April 1, 2007.
3. Pursuant to Section 655.50(d) of 83 Illinois Administrative Code (the “Code”), the annual reconciliation year for the effective surcharge begins on January 1, 2007 and ends on December 31, 2007.
4. The effective surcharge was calculated based on estimated costs of purchased water from the City of Lake Forest and estimated customer consumption in gallons. The actual costs of purchased

water and actual customer consumption in gallons for the reconciliation year are documented on Schedule 1 and Schedule 1A, which are attached hereto.

5. The revenue arising from the effective surcharge in the reconciliation year, as indicated on Schedule 2 attached hereto, was not sufficient to cover all the costs of purchased water.

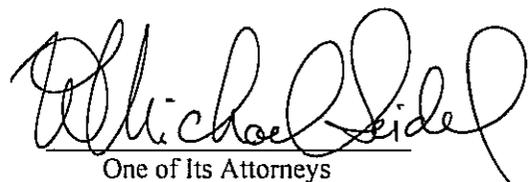
6. The 2007 annual reconciliation includes a Commission ordered "O" factor of (\$3,712), which was approved in Docket No. 07-0198 to be included in the 2007 annual reconciliation.

7. The difference between the revenue collected through the effective surcharge and the cost of the purchased water is documented on Schedule 3, which is attached hereto. Pursuant to Section 655.50(b)(3) of the Code, this difference is the reconciliation component (R) of the surcharge calculation.

8. Therefore, it is in the public interest that there is a proper match of expense and revenue recovery. Schedule 4, which is attached hereto, is a revised surcharge calculation that includes the reconciliation component derived from the annual reconciliation. The City of Lake Forest surcharge will decrease from \$8.46 per 1,000 gallons to \$6.63 per 1,000 gallons.

Wherefore, Del Mar respectfully requests that the Commission approve the annual reconciliation of the surcharge for purchased water pursuant to Section 9-220.2 of the Act, which thereby decreases the surcharge for purchased water.

Del Mar Water Company



W. Michael Seidel
One of Its Attorneys

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VERIFICATION

I, Jason Barrett, hereby affirm that the information contained in the Petition is accurate to my knowledge and belief.

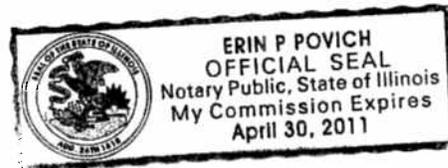


Jason Barrett
Regulatory Accountant

SWORN TO and subscribed before me this 14th day of March, 2008.



Notary Public



Jason Barrett
Regulatory Accountant
Utilities, Inc.
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Northbrook, IL 60062
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Del-Mar Water Company
Purchased Water Costs
A: For the 12 months ended 12/31/07

Schedule 1

<u>Date</u>	<u>Invoice Number</u>	<u>Invoice Period</u>	<u>Charge per 1,000 gallons</u>	<u>Consumption (Gal)</u>	<u>Amount</u>
Feb-07	28861	1/1/07-2/28/07	\$ 5.51	1,109,624	\$ 6,114.03
			\$ 0.12	1,109,624	\$ 133.15
					<u>\$ 6,247.18</u>
Jun-07	34947	3/1/07-6/1/07	\$ 5.68	1,795,732	\$ 10,199.76
					<u>\$ 110.00</u>
					<u>\$ 10,309.76</u>
Sep-07	41244	6/2/07-9/5/07	\$ 5.68	2,297,657	\$ 13,050.69
					<u>\$ 110.00</u>
					<u>\$ 13,160.69</u>
Dec-07	16863	9/6/07-12/3/07	\$ 5.68	1,617,759	\$ 9,188.87
					<u>\$ 110.00</u>
					<u>\$ 9,298.87</u>
Dec-07	*	12/4/07-12/31/07	\$ 5.68	384,923	\$ 2,186.36
					<u>\$ 33.85</u>
					<u>\$ 2,220.21</u>
Total				7,205,695	\$ 41,236.71

* Note - Invoice for 12/4/07 to 3/3/08 will be sent to Del Mar Water Company on 3/20/08.
Gallonage obtained through a conversation with The City of Lake Forest.

Del-Mar Water Company
Independent Calculation of Surcharge Revenue
A: For the 12 months ended 12/31/07

Schedule 1A

<u>Date</u>	<u>Purchased Water Consumption</u>
Jan-07	400,297
Feb-07	411,837
Mar-07	473,263
Apr-07	388,311
May-07	510,513
Jun-07	671,885
Jul-07	516,799
Aug-07	356,220
Sep-07	499,502
Oct-07	531,461
Nov-07	457,663
Dec-07	524,640
	<u>5,742,391</u>

Del-Mar Water Company
Purchased Water Revenue Recovered
A: For the 12 months ended 12/31/07

Schedule 2

<u>Date</u>	<u>Revenue Recovered</u>
Jan-07	2,626.00
Feb-07	2,562.77
Mar-07	2,384.09
Apr-07	3,182.67
May-07	4,169.41
Jun-07	2,946.21
Jul-07	2,711.05
Aug-07	3,347.43
Sep-07	4,395.76
Oct-07	3,868.42
Nov-07	4,529.09
Dec-07	3,960.42
	<u>40,683.31</u>

Del-Mar Water Company
Purchased Water Surcharge Reconciliation
A: For the 12 months ended 12/31/07

Schedule 3

<u>Date</u>	<u>Purchased Water Costs</u>	<u>Revenue Recovered</u>	<u>Difference</u>
Jan-07		2,626.00	
Feb-07		2,562.77	
Mar-07	6,247.18	2,384.09	
Apr-07		3,182.67	
May-07		4,169.41	
Jun-07	10,309.76	2,946.21	
Jul-07		2,711.05	
Aug-07		3,347.43	
Sep-07	13,160.69	4,395.76	
Oct-07		3,868.42	
Nov-07		4,529.09	
Dec-07	11,519.08	3,960.42	
	<u>41,236.71</u>	<u>40,683.31</u>	<u>-553.41</u>

Del-Mar Water Company
Revised Purchased Water Surcharge
(including reconciliation component)
A: For the 12 months ended 12/31/07

$$VC = (VSC + Rv + Ov) / VBU$$

$$VSC = 41,236.71$$

$$Rv1 = 553.41$$

$$Ov = -3,712.00$$

$$VBU = 5,742$$

$$VC = 6.63$$

Officer Verification

I, John Hoy, hereby verify that: (1) I am the Vice President of Del-Mar Water Company; (2) the accompanying reconciliation of operation of the purchased water surcharge rider during 2007 for the Del-Mar Water Company area ("Schedules 1 - 4") was prepared by me or under my supervision; (3) I am familiar with the facts set forth in the 2007 reconciliation ("Schedules 1 - 4"); and (4) the 2007 reconciliation ("Schedules 1 - 4") is true and correct to the best of my knowledge.



John Hoy
Chief Regulatory Officer
Utilities, Inc.

State of: Illinois County of: Cook

Subscribed and sworn to before me this 14th day of March, 2008.

Notary Public: Erin P. Povich

My Commission expires: 4/30/2011

