

**ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
Calculation of Variable Purchased Water Price
December 2007
Revised**

FORMULA FACTORS

1. Purchased water charge in effect, per 1,000 gallons, effective April 1, 2007:	\$	1.72
2. Unit rate for variable purchased water cost and/or alternate delivery (wheeling) costs, per 1,000 gallons, per Exhibit B:	\$	1.44273
3. Metered usage plus unaccounted-for water usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December) with a maximum of 13% unaccounted for water:		539,200
4. Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December):		467,434
5. Balance of unrecovered or (overrecovered) Supply Charge costs, per Exhibit D:	\$	100,086

CALCULATION OF VARIABLE COMPONENT
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In accordance with Ill. Adm. Code 655:

Purchased Variable Water Charge in Effect (\$M/gal)	Estimated Purchased Water Cost and/or Alternate Delivery Variable Costs	+	Commission-ordered adjustment component for variable charge	+	Utility-determined adjustment component for variable charge	=	Recomputed Purchased Variable Water Charge (\$M/gal)
			+ Metered Usage in Mgals During Prior Base Period				
\$ 1.72	\$ 777,920.02	+	\$ 49,029.37	+	\$ 53,223.81	=	\$ 1.88
			467,434				

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
Calculation of Fixed Purchased Water Price
 December 2007
 Revised

FORMULA FACTORS

1. Purchased water charge in effect, per Equivalent Billing Units, effective April 1, 2007:	\$	9.67
2. Total fixed cost for purchased water cost and/or alternate delivery (wheeling) costs, per Exhibit B, Page 2 of 3:	\$	565,521
3. Equivalent Billing Units (EBU) per Exhibit B, page 3 of 3:		54,954.0
4. Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C:		N/A
5. Balance of unrecovered or (overrecovered) Fixed Supply Charge costs:	\$	5,398

CALCULATION OF FIXED COMPONENT

In accordance with Ill. Adm. Code 655:

Fixed Water Charge in Effect (\$/month/EBU)		Estimated Purchased Water Cost and/or Alternate Delivery Fixed Costs	+	Commission-ordered adjustment component for fixed charge	+	Utility-determined adjustment component for fixed charge	=	Recomputed Fixed Water Charge (\$/month/EBU)
\$ 9.67		\$ 565,520.64	+	\$ -	+	\$ 5,398.08	=	\$ 10.39
		Equivalent Billing Units						
		54,954.0						

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
 Variable Purchased Water Costs
 December 2007

Description	Rate Per 1,000 gal
<u>Variable rate purchased water charges:</u>	
Purchased water charge:	\$ 1.12100
10% surcharge for the Village of Wilmette:	0.11210
Existing Facilities O & M:	0.06900
New Facilities O & M:	<u>0.12600</u>
Total basic rate:	\$ <u>1.42810</u>
Add 7.5% administrative surcharge for existing and new facilities O & M:	\$ <u>0.01463</u>
Total purchased water cost:	\$ <u><u>1.44273</u></u>

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
Variable Purchased Water Costs
December 2007

Fixed Cost Rate - per month:

Return on Capital Investment of Existing Facilities:	\$	28,942.67
Depreciation Expense for Existing Facilities:		9,721.50
New Facilities Principal and Interest Charge:		<u>19,787.58</u>
Subtotal - Monthly Fixed Charge Cost:		<u>58,451.75</u>
Add 7.5% administrative surcharge for Return on Capital Investment & Depreciation Expense on Existing Facilities and New Facilities: Facilities Principal and Interest Charge:		<u>4,383.88</u>
Total Monthly Fixed Charge Cost:	\$	<u><u>62,835.63</u></u>
Annualized base period (April through December):	\$	<u><u>565,520.64</u></u>

Source: Billing Invoices

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
Calculation of Equivalent Billing Units
December 2007

CALCULATION OF EQUIVALENT BILLING UNITS

<u>Meter Size</u>	<u>Number In Service</u>	<u>Equivalent Factor</u>	<u>Equivalent Units</u>
5/8" Disk	3,899	1.0	3,899.0
3/4" Disk	23	1.5	34.5
1" Disk	191	2.5	477.5
1 1/2" Disk	164	5.0	820.0
2" Disk	60	8.0	480.0
3" Disk	8	15.0	120.0
4" Disk	1	25.0	25.0
6" Disk	5	50.0	250.0
8" Disk	0	80.0	0.0
10" Disk	0	115.0	0.0
12" Disk	0	168.0	0.0
3" Turbine	0	17.5	0.0
4" Turbine	0	30.0	0.0
6" Turbine	0	62.5	0.0
8" Turbine	0	90.0	0.0
10" Turbine	0	145.0	0.0
Total Equivalent Billing Units:			<u><u>6,106.0</u></u>
Annualized base period (April through December):			<u><u>54,954.0</u></u>

Source: Report "Meters by Bill Class, Rate Schedule, Size - Summary" dated January 9, 2008.

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
 Water Usage
 December 2007

Description		Metered Usage (1,000 of gallons)	Metered Usage Plus Unaccounted-for Water Usage (1,000 of gallons)
For the monthly billing period ending in the month of:			
2007	January	47,620	54,060
2007	February	43,546	50,810
2007	March	44,435	55,070
2007	April	48,215	54,140
2007	May	45,818	58,740
2007	June	55,970	64,270
2007	July	58,354	67,360
2007	August	53,709	62,500
2007	September	51,398	57,460
2007	October	55,021	55,560
2007	November	47,176	57,950
2007	December	51,774	61,220
Total for the 12 most recent months:		<u>603,035</u>	<u>699,140</u>
Total for April through December:		<u>467,434</u>	<u>539,200</u>
Maximum Unaccounted-for Water Per Tariff:			<u>13.00%</u>
Actual Unaccounted-for Water for Calendar Year 2007:			<u>13.75%</u>
Actual Unaccounted-for Water for April-December, 2007:			<u>13.31%</u>

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
 Summary of Lake Water Purchases and Cost Recovery
 December 2007

VARIABLE COSTS	(A) Actual Cost of Lake Water Purchased	(B) Cost Recovery via Variable Lake Water Supply Charge	(A-B) Monthly Unrecovered (Overrecovered) Supply Charge Variable Cost	Cumulative Unrecovered (Overrecovered) Supply Charge Variable Cost
Month				
Balance forwarded from prior year:				\$ <u>80,265</u>
January	\$ 77,994	\$ 68,295	\$ 9,699	\$ 89,964
February	73,305	62,627	10,678	100,642
March	79,451	63,864	15,587	116,229
April	78,109	70,984	7,125	123,354
May	84,746	78,915	5,831	129,185
June	92,724	96,437	(3,713)	125,472
July	97,182	100,463	(3,281)	122,190
August	90,170	92,732	(2,562)	119,628
September	82,899	88,824	(5,925)	113,703
October	80,158	94,937	(14,779)	98,924
November	83,606	81,660	1,946	100,870
December	<u>88,324</u>	<u>89,108</u>	<u>(784)</u>	<u>100,086</u>
Total:	\$ <u>1,008,668</u>	\$ <u>988,847</u>	\$ <u>19,821</u>	\$ <u>100,086</u>
Unrecovered (Overrecovered) variable supply charges:				\$ <u>100,086</u>
Utility-determined reconciliation component:				\$ <u>100,086</u>
Cost of Water Exceeding the Non-revenue Water Level of 14.25% during the Year				\$ <u>0</u>
Total Level Unrecovered (Overrecovered) variable supply charges (VSC):				\$ <u>100,086</u>

Calculation of UFW Factor

Metered Usage	603,035	Per Exhibit C
Maximum allowed + UFW	693,144	Metered usage divided by 1 minus the UFW maximum
Maximum allowed + NRW	703,248	Metered usage divided by 1 minus (the UFW maximum + 1.25% unbilled consumption from Docket No. 07-0425, IAWC Exhibit 1.0)
Metered Usage + UFW	699,140	Per Exhibit C
Metered Usage + NRW > Max	(4,108)	Actual Metered Usage + UFW less (Max allowed per tariff (13%) + 1.25% unbilled consumption)
Rate / 1,000 gallons	1.4427	Cost of Lake Water divided by Metered Usage + UFW
Cost of Lakewater over UFW	\$ -	Lakewater cost exceeding the Max UFW

Source: Bill Data and Purchase Data reports.

ILLINOIS-AMERICAN WATER COMPANY
CHICAGO SUBURBAN SERVICE DISTRICT
 Summary of Lake Water Purchases and Cost Recovery
 December 2007

FIXED COSTS Month	(A) Actual Cost of Lake Water Purchased	(B) Cost Recovery via Fixed Lake Water Supply Charge	(A-B) Monthly Unrecovered (Overrecovered) Supply Charge Fixed Cost	Cumulative Unrecovered (Overrecovered) Supply Charge Fixed Cost
Balance forwarded from prior year:				\$ <u><u>(36,034)</u></u>
January	\$ 62,836	\$ 61,126	\$ 1,710	\$ (34,324)
February	62,836	61,509	1,327	(32,998)
March	62,836	61,125	1,711	(31,287)
April	62,836	60,882	1,953	(29,333)
May	62,836	57,756	5,079	(24,254)
June	62,836	58,229	4,606	(19,648)
July	62,836	58,406	4,429	(15,218)
August	62,836	58,461	4,375	(10,843)
September	62,836	58,623	4,213	(6,631)
October	62,836	58,667	4,169	(2,462)
November	62,836	58,924	3,911	1,449
December	<u>62,836</u>	<u>58,887</u>	<u>3,949</u>	<u>5,398</u>
Total:	\$ <u><u>754,028</u></u>	\$ <u><u>712,595</u></u>	\$ <u><u>41,432</u></u>	<u><u>5,398</u></u>
Unrecovered (Overrecovered) variable supply charges:				\$ <u><u>5,398</u></u>
Utility-determined reconciliation component:				\$ <u><u>5,398</u></u>

Source: Bill data and Purchase Data reports.