

ILLINOIS-AMERICAN WATER COMPANY
SOUTHWEST SUBURBAN SERVICE DISTRICT
Calculation of Purchased Water Price Adjustment
December 2007

FORMULA FACTORS

1. Purchases water charge in effect, per 1,000 gallons, effective February 1, 2008:	\$	3.79
2. Unit rate for variable purchased water cost and/or alternate delivery (wheeling) costs, per 1,000 gallons, per Exhibit B:	\$	3.5099
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 12% unaccounted for water:		2,566,614
4. Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December):		2,226,538
5. Balance of unrecovered or (overrecovered) Supply Charge costs, per Exhibit D:	\$	138,613

CALCULATION OF VARIABLE COMPONENT

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	+ * Pending * 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				
\$ 3.79	\$ 9,008,558.48	+	\$ 234,105.76	+	\$ 138,613.05
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			2,226,538		4.21

ILLINOIS-AMERICAN WATER COMPANY
SOUTHWEST SUBURBAN SERVICE DISTRICT
 Change in Purchased Water Cost
 December 2007

Description:	Rate Per 1,000 Gallons
Change in Purchased Water Charge:	
<u>Metered Service Rate:</u>	
New Rate per 1,000 gallons:	\$ 3.5099
Previous Rate per 1,000 gallons:	3.1930
Total Change in Purchased Water Cost:	\$ 0.3169

Source: Billing Invoices

ILLINOIS-AMERICAN WATER COMPANY
SOUTHWEST 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	204,178	258,693
2007	February	184,545	258,693
2007	March	192,465	213,653
2007	April	192,284	229,603
2007	May	209,561	342,239
2007	June	300,141	371,791
2007	July	329,423	368,969
2007	August	296,427	307,622
2007	September	235,195	334,532
2007	October	265,041	274,701
2007	November	194,769	238,204
2007	December	203,698	249,605
Total for the 12 most recent months:		<u>2,807,727</u>	<u>3,448,305</u>
Total April through December:		<u>2,226,538</u>	<u>2,717,266</u>
Maximum Unaccounted For Water Per Tariff:			<u>12.00%</u>
Actual Unaccounted for Water for calendar year 2007:			<u>18.58%</u>
Actual Unaccounted for Water for April-December, 2007:			<u>18.06%</u>
Plainfield Sales for the year 2007		1,297,832	
Sales and System Delivery Including Plainfield		4,105,559	4,746,137
Total Southwest Suburban plus Plainfield Unaccounted For Water			13.50%

Source: Billing Reports and Purchased Water Invoices for Southwest Suburban Service Area.

ILLINOIS-AMERICAN WATER COMPANY
SOUTHWEST 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 Lake Water Supply Charge	(A-B) Monthly Unrecovered (Overrecovered) Supply Charge Cost	Cumulative Unrecovered (Overrecovered) Supply Charge Cost
Month				
2005 O-Factor				\$ (438,789)
2006 R-Factor				23,525
Balance forwarded from prior year:				<u>\$ (415,264)</u>
January	\$ 812,943	\$ 730,953	\$ 81,989	\$ (333,275)
February	812,943	662,145	150,798	(182,477)
March	671,405	691,917	(20,512)	(202,989)
April	721,527	673,860	47,667	(155,322)
May	1,075,486	713,122	362,364	207,042
June	1,168,353	1,016,044	152,309	359,351
July	1,159,485	1,108,847	50,638	409,989
August	966,702	1,001,414	(34,712)	375,277
September	1,051,267	794,534	256,733	632,010
October	869,291	901,901	(32,610)	599,400
November	760,585	660,894	99,692	699,092
December	796,989	690,213	106,776	805,868
Total:	<u>\$ 10,866,976</u>	<u>\$ 9,645,844</u>	<u>\$ 1,221,132</u>	<u>\$ 805,868</u>
Unrecovered (Overrecovered) variable supply charges:				<u>\$ 805,868</u>
Utility-determined reconciliation component for current year, excluding UFW Adjustment:				<u>\$ 805,868</u>
Cost of Water Exceeding the Non-revenue Water Level of 13.25% during the Year				<u>\$ (667,255)</u>
Total Level Unrecovered (Overrecovered) variable supply charges (VSC):				<u>\$ 138,613</u>

Calculation of UFW Factor

Metered Usage Incl Plainfield	2,807,727	Per Exhibit C, including Plainfield
Maximum allowed + UFW	3,190,598	Metered usage divided by 1 minus the UFW maximum
Maximum allowed + NRW	3,236,572	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	3,448,305	Per Exhibit C, including Plainfield
Metered Usage + NRW > Max	211,733	Actual Metered Usage + UFW less Max allowed per tariff (12%) + 1.25% unbilled consumption)
Rate / 1,000 gallons	3.1514	Cost of Lake Water divided by Metered Usage + UFW
Cost of Lakewater over UFW	\$ 667,255	Lakewater cost exceeding the Max UFW

Source: Bill Data and Purchase Data reports.