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January 6, 2009

VIA E-DOCKET

Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Re: Illinois-American Water Company - Docket 06-0782 – Status report

Dear Ms. Rolando:

As discussed in our status report of November 7, 2008 filed in this docket, Illinois-American Water Company (“IAWC”), Terra Cotta Realty Co. (“Terra Cotta”) and Boulder Capital (“Boulder”) are engaged in discussions regarding the Closing required under the November 4, 2005 Amended and Restated Asset Purchase Agreement between IAWC and Terra Cotta, the status of the unexecuted agreement (“Westminster Agreement”) between IAWC and WS Land Partners - Prairie Grove II, LLC, and related matters. As of the date of this letter, these discussions are ongoing and, as a result, the Closing has not been completed and the Westminster Agreement has not been executed. Boulder, IAWC and Terra Cotta plan further discussions regarding these matters.

IAWC intends to submit a further status report regarding the status of the Closing and Westminster Agreement in 60 days.

Please contact me if you have any questions.

Sincerely,

/s/ Albert D. Sturtevant

Albert D. Sturtevant

cc: Manager of Accounting, ICC
Joni Ott, IAWC

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