

JONES DAY

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March 9, 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 reports of November 7, 2008 and January 6, 2009 filed in this docket, Illinois-American Water Company (“IAWC”), Terra Cotta Realty Co. (“Terra Cotta”) and Boulder Capital (“Boulder”) have been 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.

In late January of 2009, Boulder stated, that, for business reasons, it would not be able to continue its participation in the discussions regarding the Closing and the Westminster Agreement. Although Boulder indicated a willingness to return to the discussions, Boulder provided no time frame for doing so.

As a result, IAWC and Terra Cotta have determined that they will proceed to complete the Closing without Boulder’s participation. A closing date of April 8, 2009 has been scheduled. IAWC will comply with the terms of the Final Order (p. 19) issued in this docket, under which IAWC is required to:

file with the Commission the actual journal entries recording the transactions set forth in the Agreement and Westminster Agreement with the Chief Clerk’s Office, with a copy to the Commission’s Manager of Accounting, within 60 days of the transactions...

IAWC will provide a further status report to Illinois Commerce Commission Staff if: (i) the Closing does not take place within 60 days of April 8, 2009; or (ii) discussions resume with Boulder regarding the Westminster Agreement and related issues.

Please contact me if you have any questions.

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Sincerely,

/s/ Albert D. Sturtevant

Albert D. Sturtevant

cc: Manager of Accounting, ICC
Joni Ott, IAWC