

**Illinois American Water Company**  
**South Beloit Service District**  
**Calculation of Variable Purchased Water Price**  
**April 2009**

**FORMULA FACTORS**

1. Purchased water charge in effect, per CCF, effective January 1, 2009:	\$	<b>1.0000</b>
2. Total Unit rate for purchased water cost, including cost for lost and unaccounted, per CCF, per Exhibit B	\$	<b>0.8400</b>
3. Estimated metered usage plus unaccounted-for water usage during the base period, in CCFs, per Exhibit C1 (April through December)		<b>289,577</b>
4. Estimated metered usage during the base period, in CCFs, per Exhibit C1 (April through December)		<b>242,521</b>
5. Balance of unrecovered or (over recovered) Variable Supply Charge Costs, per Exhibit D	\$	<b>10,067</b>

**CALCULATION OF VARIABLE COMPONENT**

In accordance with Ill. Adm. Code 655:

Purchased Water Charge In Effect (\$M/ccf)	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/ccf)
\$ 1.00	\$243,245	+	Metered Usage in Mgals During Prior 12 Months	+	\$10,067	=	\$ 1.04

242,521

**Illinois American Water Company**  
**South Beloit Service District**  
**Calculation of Fixed Purchased Water Price**  
**April 2009**

**FORMULA FACTORS**

1. Purchased water charge in effect, per month, per EBU, effective January 1, 2009	\$	0.83
2. Fixed cost for purchased water cost and/or alternate delivery (wheeling) costs in the base period (April through December) per Exhibit B, Page 2 of 3	\$	24,750.00
3. Equivalent Billing Units (EBU) per Exhibit B, page 3 of 3		30,015
4. Balance of unrecovered or (over recovered) Fixed Supply Charge costs	\$	(599)

**CALCULATION OF VARIABLE 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)
\$ 0.83	\$ 24,750.00	\$ -	\$ (599)	=	\$ 0.80
	Equivalent Billing Units				
	30,015				

Illinois American Water Company  
South Beloit Service District  
Variable Purchased Water Costs  
April 2009

Description	Rate Per 100 CCF
Variable rate purchased water charges:	
Purchased water charge per CCF	\$ 0.84000
Total purchased water cost	<u>\$ 0.84000</u>

The Purchased Water charge is set at \$0.84 and adjusted for Lost and unaccounted for water with a 21% adder.

See Attached Monthly billings for water service from the City of Beloit

**Illinois American Water Company**  
South Beloit Service District  
Fixed Purchased Water Costs  
April 2009

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Fixed Cost Rate - per month:

Fixed Monthly Charge

January	\$	2,750.00
February		2,750.00
March		2,750.00
April		2,750.00
May		2,750.00
June		2,750.00
July		2,750.00
August		2,750.00
September		2,750.00
October		2,750.00
November		2,750.00
December		<u>2,750.00</u>
Total	\$	<u>33,000.00</u>
Annualized base period (April through December)	\$	<u>24,750.00</u>

The Purchased Water fixed charge is set at \$2,750 per month.

See Attached Monthly billings for water service from the City of Beloit.

Illinois American Water Company  
South Beloit Service District  
Calculation of Equivalent Billing Units  
April 2009

**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	2,592	1.0	2,592.0
3/4" Disk	53	1.5	79.5
1" Disk	47	2.5	117.5
1 1/2" Disk	23	5.0	115.0
2" Disk	37	8.0	296.0
3" Disk	4	15.0	60.0
4" Disk	3	25.0	75.0
6" Disk	0	50.0	0.0
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
<b>Total Equivalent Billing Units:</b>			<u>3,335.0</u>
<b>Annualized base period (April through December):</b>			<u>30,015.0</u>

Illinois American Water Company  
South Beoit Service District  
Calculation of Equivalent Billing Units  
For the Year 2008

Description	Customer Connections	Metered Usage (CCF)	Metered Usage Plus Unaccounted-for Water Usage (CCF)	Unaccounted for water in excess of tariff amount (CCF)	Supplier Rate	Metered Usage	Metered Usage + UFW	UFW %	UFW in Excess of Tariff	
For the monthly billing period ending in the month of:										
January-08	Residential Commercial Industrial Pub. Auth	2,444 214 9 17	18,348 8,861 211 352	22,135 10,691 255 425						
		<u>2,684</u>	<u>27,771</u>	<u>33,506</u>	346.68	\$ 0.76	27,771	33,506	17.12%	\$ 263
February-08	Residential Commercial Industrial Pub. Auth	2,461 213 9 17	16,567 7,315 323 372	20,077 8,885 391 451						
		<u>2,700</u>	<u>24,577</u>	<u>29,784</u>	438.32	0.76	24,577	29,784	17.48%	333
March-08	Residential Commercial Industrial Pub. Auth	2,482 210 9 17	17,838 8,384 171 353	21,602 10,154 207 427						
		<u>2,718</u>	<u>26,746</u>	<u>32,390</u>	454.66	0.76	26,746	32,390	17.43%	346
April-08	Residential Commercial Industrial Pub. Auth	2,503 212 9 17	14,999 7,152 178 329	18,189 8,673 216 399						
		<u>2,741</u>	<u>22,658</u>	<u>27,477</u>	422.33	0.76	22,658	27,477	17.54%	321
May-08	Residential Commercial Industrial Pub. Auth	2,518 212 9 17	14,852 5,724 223 400	17,712 6,919 269 483						
		<u>2,756</u>	<u>20,999</u>	<u>25,384</u>	309.95	0.84	20,999	25,384	17.27%	260
June-08	Residential Commercial Industrial Pub. Auth	2,515 213 9 17	18,068 7,939 203 331	21,862 9,607 246 400						
		<u>2,754</u>	<u>26,541</u>	<u>32,115</u>	423.87	0.84	26,541	32,115	17.36%	356
July-08	Residential Commercial Industrial Pub. Auth	2,533 212 9 17	17,347 7,775 285 254	20,990 9,408 345 307						
		<u>2,771</u>	<u>25,662</u>	<u>31,051</u>	409.82	0.84	25,662	31,051	17.36%	344
August-08	Residential Commercial Industrial Pub. Auth	2,538 217 9 17	20,393 9,327 228 389	24,675 11,286 276 446						
		<u>2,781</u>	<u>30,317</u>	<u>36,683</u>	482.98	0.84	30,317	36,683	17.35%	406
September-08	Residential Commercial Industrial Pub. Auth	2,547 216 9 17	21,256 8,864 166 450	25,706 10,720 201 544						
		<u>2,789</u>	<u>30,736</u>	<u>37,170</u>	470.30	0.84	30,736	37,170	17.31%	385
October-08	Residential Commercial Industrial Pub. Auth	2,535 214 9 17	15,424 7,328 164 454	18,664 8,867 198 549						
		<u>2,775</u>	<u>23,371</u>	<u>28,276</u>	373.23	0.84	23,371	28,276	17.36%	314
November-08	Residential Commercial Industrial Pub. Auth	2,528 213 9 17	16,021 9,112 208 449	19,385 11,026 252 543						
		<u>2,767</u>	<u>25,790</u>	<u>31,206</u>	411.87	0.84	25,790	31,206	17.36%	346
December-08	Residential Commercial Industrial Pub. Auth	2,520 215 9 17	15,664 6,754 184 366	18,953 8,173 223 443						
		<u>2,761</u>	<u>22,968</u>	<u>27,791</u>	366.80	0.84	22,968	27,790	17.35%	308
<b>Total for the 12 most recent months</b>		<u><b>32,997</b></u>	<u><b>308,136</b></u>	<u><b>372,835</b></u>	<u><b>4,911</b></u>		<u><b>285,168</b></u>	<u><b>345,044</b></u>	<u><b>17.35%</b></u>	<u><b>\$3,992</b></u>

Data is the total customer class metered use in gallons ÷ .748 to convert to CCF.  
Data source: Stat 10 Report

**ILLINOIS-AMERICAN WATER COMPANY**  
**SOUTH BELOIT SERVICE DISTRICT**  
 Historical Water Usage  
 For the Calendar Years 2008 and 2007

<b>Month</b>	<b>Average</b>	<b>2008</b>	<b>2007</b>	<b>Average Usage Plus NRW</b>	<b>2008 Usage Plus NRW</b>	<b>2007 Usage Plus NRW</b>
January	24,583	27,771	21,395	29,697	33,506	25,888
February	22,219	24,577	19,862	26,908	29,784	24,033
March	30,903	26,746	35,059	37,406	32,390	42,422
April	13,939	22,658	5,221	16,907	27,477	6,337
May	28,562	20,999	36,124	34,566	25,384	43,748
June	30,169	26,541	33,797	36,523	32,115	40,931
July	32,643	25,662	39,624	39,532	31,051	48,013
August	31,785	30,317	33,253	38,488	36,683	40,293
September	31,747	30,736	32,757	38,424	37,170	39,677
October	26,250	23,371	29,130	31,793	28,278	35,307
November	26,157	25,790	26,523	31,649	31,206	32,092
December	21,269	22,968	19,570	25,747	27,791	23,702
<b>Total</b>	<b>320,226</b>	<b>308,136</b>	<b>332,316</b>	<b>387,639</b>	<b>372,835</b>	<b>402,443</b>
<b>Nine Months April through December</b>	<b>242,521</b>	<b>229,043</b>	<b>256,000</b>	<b>293,628</b>	<b>277,155</b>	<b>310,100</b>
<b>Total</b>				<b>17.39%</b>		
<b>Nine-Months April through December</b>				<b>17.41%</b>		

Source: Current year and prior year Exhibit C

**Illinois American Water Company**  
**South Beloit Service District**  
**Summary of Water Purchases and Cost Recovery**  
**For the Year 2008**

Water Supply Revenues  Month	(A) Cost Recovery via Variable Water Supply Charge	(B) Cost Recovery via Fixed Water Supply Charge	(C) Total Cost Recovery via Purchased Water Surcharge
January	\$ 25,952	\$ 2,930	\$ 28,882
February	22,992	2,605	25,596
March	24,977	2,609	27,586
April	21,994	2,696	24,690
May	18,775	2,742	21,517
June	23,825	2,739	26,564
July	23,985	2,742	26,726
August	29,464	2,774	32,238
September	29,888	2,772	32,659
October	22,735	2,737	25,472
November	22,175	2,764	24,939
December	23,265	2,753	26,019
<b>Total</b>	<b>\$ 290,025</b>	<b>\$ 32,863</b>	<b>\$ 322,888</b>

Data source: Revenue Surcharge Report

**Illinois American Water Company**  
**South Beloit Service District**  
**Summary of Water Purchases and Cost Recovery**  
**For the Year 2008**

VARIABLE COSTS  Month	(A) Actual Variable Cost of Water Purchased	(B) Cost Recovery via Variable Water Supply Charge	(A - B) Monthly Unrecovered (Over recovered) Supply Charge	Cumulative Unrecovered (Over recovered) Supply Charge Variable Costs
<b>Balance forwarded from prior year:</b>				
2007 R-Factor				\$ (9,097)
2007 O-Factor				-
Total balance forwarded:				<u>(9,097)</u>
January	\$ 28,145	\$ 25,952	\$ 2,193	(6,904)
February	25,019	22,992	2,027	(4,877)
March	27,208	24,977	2,231	(2,645)
April	23,080	21,994	1,087	(1,559)
May	21,322	18,775	2,547	988
June	26,977	23,825	3,151	4,140
July	26,083	23,985	2,098	6,238
August	30,814	29,464	1,350	7,587
September	31,223	29,888	1,335	8,923
October	23,754	22,735	1,019	9,942
November	26,213	22,175	4,038	13,980
December	<u>23,344</u>	<u>23,265</u>	<u>79</u>	<u>14,059</u>
Total	<u>\$ 313,181</u>	<u>\$ 290,025</u>	<u>\$ 23,156</u>	14,059
Unaccounted for water in excess of tariff				<u>(3,992)</u>
Unrecovered (Over recovered) variable supply charges.				<u>\$ 10,067</u>

Data source: Stat 10 and Surcharge Revenue Report

**Illinois American Water Company**  
**South Beloit Service District**  
**Summary of Water Purchases and Cost Recovery**  
**For the Year 2008**

<b>FIXED COSTS</b>  Month	(A) Actual Fixed Cost of Water Purchased	(B) Cost Recovery via Fixed Water Supply Charge	(A - B) Monthly Unrecovered (Over recovered) Supply Charge	Cumulative Unrecovered (Over recovered) Supply Charge Fixed Costs
<b>Balance forwarded from prior year:</b>				
				\$ (736)
				-
				<u>(736)</u>
January	\$ 2,750	\$ 2,930	\$ (180)	(916)
February	2,750	2,605	145	(771)
March	2,750	2,609	141	(631)
April	2,750	2,696	54	(577)
May	2,750	2,742	8	(569)
June	2,750	2,739	11	(558)
July	2,750	2,742	8	(549)
August	2,750	2,774	(24)	(573)
September	2,750	2,772	(22)	(595)
October	2,750	2,737	13	(582)
November	2,750	2,764	(14)	(596)
December	<u>2,750</u>	<u>2,753</u>	<u>(3)</u>	<u>(599)</u>
<b>Total</b>	<b>\$ <u>33,000</u></b>	<b>\$ <u>32,863</u></b>	<b>\$ <u>137</u></b>	<b><u>(599)</u></b>
Unrecovered (Over recovered) fixed supply charges.				<u><u>\$ (599)</u></u>

Data source: Revenue Surcharge Report