

AG Cross Exhibit 14

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO OFFICE OF THE ATTORNEY GENERAL
DATA REQUEST NUMBER AG 10.13 (UPDATE)

Witness Responsible:	<u>Scott W. Rungren</u>
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Date Received:	<u>November 4, 2009</u>
Docket No.:	<u>09-0319</u>

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Refer to IAWC Ex. 4.00R2, page 7, lines 158-162, and page 10, lines 220-221.

- a. Has the Company issued \$39 million of debt that it planned for November 2009? If not, explain fully why not. If so, identify the amount issued and the related cost rate.
- b. If not yet issued, please provide the company's best expectations as to the timing, amount and cost rate for such a debt issuance.

RESPONSE:

- a) The Company has not issued any of the \$39 million of debt planned for November 2009. The Company expects to issue a portion of it shortly upon receiving approval to do so from the ICC. IAWC's application for approval of the \$39 million issuance is currently pending before the ICC.
- b) See (a). The Company currently expects that it will issue the \$39 million of new debt in two separate financings. The first will come via a Q4 2009 taxable financing with AWCC. The second is expected to close in the first half of 2010 via a tax-exempt issuance through AWCC. The amount of each issuance will depend on (1) the sizing of the taxable deal by AWCC in Q4 2009 and (2) the amount of CAP allocation that can be obtained via the Illinois Financing Authority for the tax-exempt deal. It is expected that those amounts will be determined by the end of November 2009.

UPDATED RESPONSE:

- a) The Company issued \$14 million of the planned \$39 million debt financing on December 4, 2009. This is a taxable debt issuance with a coupon interest rate of 6.00% and a thirty-year term. The Company anticipates the remaining \$25 million will be issued as tax-exempt debt with the Illinois Finance Authority on May 1, 2010.

Date Response Provided: November 12, 2009

Updated Response Provided: December 7, 2009