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Schedule A

Whispering Hills
Balance Sheet
December 31, 2008

ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

ASSETS

Plant In Service	
Water	\$ 5,018,285
Sewer	0
Total	<u>\$ 5,018,285</u>
Accumulated Depreciation-Water	(1,319,272)
Accumulated Depreciation-Sewer	0
Total	<u>\$ (1,319,272)</u>
Net Utility Plant	<u>\$ 3,699,013</u>
Plant Acquisition Adjustment-Water	0
Plant Acquisition Adjustment-Sewer	0
Total	<u>\$ 0</u>
Construction Work In Process-Water	58,236
Construction Work In Process-Sewer	0
Total	<u>\$ 58,236</u>
Current Assets	
Cash	115
Accounts Receivable - Net	(165,501)
Other Current Assets	0
Total	<u>\$ (165,386)</u>
Deferred Charges	<u>18,893</u>
TOTAL ASSETS	<u><u>\$ 3,610,756</u></u>

LIABILITIES AND OTHER CREDITS

Capital Stock and Retained Earnings	
Common Stock and Paid In Capital	\$ 1,438,282
Retained Earnings	1,062,929
Total	<u>\$ 2,501,211</u>
Current and Accrued Liabilities	
Accounts Payable-Trade	189,332
Taxes Accrued	10,935
Customer Deposits	327
Customer Deposits - Interest	(33)
A/P - Assoc. Companies	64,570
Deferred Revenue	0
Total	<u>\$ 265,132</u>
Advances In Aid of Construction	
Water	0
Sewer	0
Total	<u>\$ 0</u>
Contributions In Aid of Construction	
Water	402,927
Sewer	0
Total	<u>\$ 402,927</u>
Accumulated Deferred Income Tax	
Unamortized ITC	0
Deferred Tax - Federal	343,740
Deferred Tax - State	97,745
Total	<u>\$ 441,485</u>
TOTAL LIABILITIES AND OTHER CREDITS	<u><u>\$ 3,610,756</u></u>

Whispering Hills
Water Operations
Test Year Ended December 31, 2008

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	669,829	(1,260) [a]	668,569	572,551 [n]	1,241,120
Service Revenues - Sewer	-	-	-	-	-
Miscellaneous Revenues	10,648	-	10,648	215	10,863
Uncollectible Accounts	(11,522)	-	(11,522)	(9,867) [b]	(21,389)
Total Operating Revenues	668,956	(1,260)	667,695	562,899	1,230,594
Maintenance Expenses					
Salaries and Wages	214,871	(9,869) [c]	205,002	-	205,002
Purchased Power	48,871	-	48,871	-	48,871
Purchased Water	-	-	-	-	-
Maintenance and Repair	79,020	3,323 [j]	82,343	-	82,343
Maintenance Testing	16,847	709 [i]	17,555	-	17,555
Meter Reading	2,767	116 [j]	2,884	-	2,884
Chemicals	35,985	1,513 [j]	37,498	-	37,498
Transportation	23,382	983 [i]	24,365	-	24,365
Operating Exp. Charged to Plant	(58,424)	(4,253) [c]	(62,677)	-	(62,677)
Outside Services - Other	9,625	405 [j]	10,030	-	10,030
Total	372,944	(7,072)	365,872	-	365,872
General Expenses					
Salaries and Wages	57,409	(43,793) [c]	13,616	-	13,616
Office Supplies & Other Office Exp.	41,126	1,730 [i]	42,856	-	42,856
Regulatory Commission Exp.	6,573	31,817 [d]	38,390	-	38,390
Pension & Other Benefits	43,009	10,064 [c]	53,073	-	53,073
Rent	2,527	106 [j]	2,633	-	2,633
Insurance	18,732	-	18,732	-	18,732
Office Utilities	36,683	1,543 [j]	38,226	-	38,226
Miscellaneous	17,829	750 [j]	18,579	-	18,579
Expense Allocation adj	-	4,235 [c]	4,235	-	4,235
Total	223,888	6,450	230,339	-	230,339
Depreciation	133,820	56,834 [e]	190,654	-	190,654
Amortization of PAA	-	- [e]	-	-	-
Taxes Other Than Income	42,086	(1,835) [f]	40,251	573 [f]	40,823
Income Taxes - Federal	(55,831)	(23,633) [g]	(79,464)	177,234 [g]	97,770
Income Taxes - State	(12,931)	(5,474) [g]	(18,405)	41,050 [g]	22,645
Amortization of ITC	-	- [e]	-	-	-
Amortization of CIAC	(20,007)	(7,816) [e]	(27,823)	-	(27,823)
Total	87,136	18,077	105,212	218,857	324,069
Total Operating Expenses	683,968	17,455	701,423	218,857	920,280
Net Operating Income	(15,013)	(18,715)	(33,728)	344,043	310,314
Other Income	(4)	-	(4)	-	(4)
Interest During Construction	(1,755)	1,755 [h]	-	-	-
Interest on Debt	98,562	21,963 [i]	120,525	-	120,525
Net Income	(111,816)	(42,434)	(154,250)	344,043	189,793

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CHIEF CLERK'S OFFICE

Whispering Hills

Explanation of Adjustments to Income Statement

- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] w/p [a] - Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] w/p [b] - Salaries, Wages and Benefits are adjusted to annualize as of the end of the year.
- [d] w/p [d] - Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] w/p [f] - Depreciation and Amortization Expense are annualized. Depreciation expense represents gross depreciable plant at the end of the year plus pro forma projects multiplied by the respective depreciation rates.
- [f] w/p [e] - Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [g] w/p [g] - Income Taxes are computed on taxable income at following rates (34% federal and 7.3% state)
- [h] AFUDC is eliminated for rate making purposes.
- [i] w/p [h] - Interest on Debt has been computed using a 53.04% / 46.96% debt-to-equity ratio and a 6.58% cost of debt.
- [j] w/p [n] - A consumer price index increase of 4.21% has been included in this filing.
- [k] w/p [m] - Intentionally left blank
- [l] w/p [k] - Intentionally left blank
- [m] w/p [o] - Intentionally left blank
- [n] Proposed revenue increase derived from Sch.D&E.
- [o] w/p [p] - adjust allocations 12/31/08 allocation factors.

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Whispering Hills
 Water Operations
 Rate Base and Rate of Return
 Test Year Ended December 31, 2008

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	(15,013)	(18,715)	(33,728)	344,043	310,314
Gross Plant In Service	5,018,285	233,111 [d]	5,251,395	-	5,251,395
Accumulated Depreciation	(1,319,272)	(10,040) [c]	(1,329,312)	-	(1,329,312)
Net Plant In Service	3,699,013	223,070	3,922,083	-	3,922,083
Cash Working Capital	79,865	(307) [a]	79,558	-	79,558
Contributions In Aid of Construction	(402,927)	265,521	(137,406)	-	(137,406)
Accumulated Deferred Income Taxes	(441,485)	-	(441,485)	-	(441,485)
Customer Deposits	295	-	295	-	295
Adjustment to Rate Base Allocations		11,264 [h]	11,264	-	11,264
Deferred charges	18,893	0	18,893	-	18,893
Net Pro Forma Plant	-	0 [b]	0	-	0
Total Rate Base	2,953,653	499,549	3,453,202	-	3,453,202
Return on Rate Base	-0.51%		-0.98%		8.99%

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Whispering Hills
Explanations of Adjustments to Rate Base
Test Year Ended December 31, 2008

- [a] w/p [i] - Working Capital is calculated based on pro forma expenses.
- [b] w/p [j] - Pro Forma Plant is adjusted for planned additional capital investments and retirements.
- [c] w/p [appendix] - Accumulated depreciation is adjusted for planned additional capital investments, retirements, and plant held for future use.
- [d] w/p [l] - Plant additions for first quarter 2009 estimated through December 2009.
- [e] Intentionally left blank
- [f] Intentionally left blank
- [g] Intentionally left blank
- [h] w/p [p] - adjust allocations 12/31/08 allocation factors.

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Whispering Hills

Schedule D

Test Year / Present Revenues

WATER

Bill code	Billcode	Meter Size	Gallonage	Usage Charge	Units	BFC	Revenues
<u>All Subs:</u>							
	6201	5/8"	131,547,943	\$ 3.14	12,811	\$ 10.28	\$ 544,756
	6202	3/4"	377,756	\$ 3.14	24	\$ 14.50	1,530
	6206	5/8"	-	\$ 3.14	12	\$ 10.28	123
	6210	1"	30,476,322	\$ 3.14	1,248	\$ 20.20	120,902
	6212	1.5"	265,559	\$ 3.14	12	\$ 35.00	1,258
			<u>162,667,580</u>		<u>14,106</u>		<u>\$ 668,569</u>

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Whispering Hills
Proposed Revenues

Schedule E

WATER

Bill code	Billcode	Meter Size	Gallonage	Usage Charge	Units	BFC	Revenues
<u>All Subs:</u>							
	6201	5/8"	131,547,943	\$ 4.71	12,811	\$ 30.94	\$ 1,015,994
	6202	3/4"	377,756	\$ 4.71	24	\$ 43.65	\$ 2,813
	6206	5/8"	-	\$ 4.71	12	\$ 30.94	\$ 371
	6210	1"	30,476,322	\$ 4.71	1,248	\$ 60.80	\$ 219,414
	6212	1.5"	265,559	\$ 4.71	12	\$ 105.35	\$ 2,527
			<u>162,667,580</u>		<u>14,106</u>		<u>\$ 1,241,120</u>
		<u>Miscellaneous Charges</u>		<u>Current Charge</u>	<u>Units</u>	<u>Proposed Charge</u>	<u>Additional Revenues</u>
		NSF Charge		\$ 10.00	1	\$ 25.00	\$ 15
		New Customer Charge		\$ 15.00	20	\$ 25.00	\$ 200
							<u>\$ 215</u>

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