

**ILLINOIS-AMERICAN WATER COMPANY  
FERNWAY SERVICE DISTRICT  
Calculation of Variable Purchased Water Price  
April 2010**

**FORMULA FACTORS**

1. Purchased water charge in effect, per 1,000 gallons, effective April 1, 2009:	\$	3.06
2. Unit rate for variable purchased water cost and/or alternate delivery (wheeling) costs, per 1,000 gallons, per Exhibit B:	\$	2.487
3. Estimated metered usage plus unaccounted-for water usage during the base period, in 1,000's of gallons, per Exhibit C1 (April through December) with a maximum of 13.64% unaccounted for water:		153,397
4. Estimated metered usage during the base period, in 1,000's of gallons, per Exhibit C1 (April through December):		135,670
5. Balance of unrecovered or (over recovered) Supply Charge costs, per Exhibit D:	\$	(19,926)

**CALCULATION OF VARIABLE COMPONENT**

In accordance with Ill. Adm. Code 655:

Purchased Variable Water Charge in Effect (\$/M/gal)	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/gal)
\$ 3.06	\$ 381,467.66	+ \$ -	+ \$ (19,926.45)	=	\$ 2.66
	Metered Usage in Mgals During Prior Base Period				
	135,670				

**ILLINOIS-AMERICAN WATER COMPANY  
FERNWAY SERVICE DISTRICT  
Change in Purchased Water Cost  
April 2010**

<u>Description:</u>	<u>Rate Per 1,000 Gallons</u>
<b>Change in Purchased Water Charge:</b>	
<b><u>Metered Service Rate:</u></b>	
Village of Oak Lawn	\$ 2.0918
Village of Tinley Park	<u>0.3950</u>
Metered Service Rate as of January, 2010:	2.4868
Previous Metered Service Rate:	<u>2.6195</u>
<b>Total Change in Purchased Water Cost:</b>	<b><u>\$ (0.1327)</u></b>

**Source: January 2010 Billing Invoices**

**ILLINOIS-AMERICAN WATER COMPANY**  
**FERNWAY SERVICE DISTRICT**  
 Water Usage  
 For the Year 2009

Description	Metered Usage (1,000 of gallons)	Metered Usage Plus Unaccounted-for Water Usage (1,000 of gallons)
For the monthly billing period ending in the month of:		
2009 January	15,583	15,119
2009 February	14,156	13,561
2009 March	12,190	14,664
2009 April	14,232	14,492
2009 May	12,985	16,621
2009 June	14,763	16,730
2009 July	14,533	20,216
2009 August	18,717	19,645
2009 September	16,873	16,237
2009 October	16,013	15,110
2009 November	13,094	13,313
2009 December	11,926	15,415
Total for the 12 most recent months:	<u>175,065</u>	<u>191,123</u>
Total April through December:	<u>133,136</u>	<u>147,779</u>
<b>Maximum Unaccounted For Water Per Tariff:</b>		<u>13.64%</u>
<b>Actual Unaccounted for Water for calendar year 2009:</b>		<u>8.40%</u>
<b>Actual Unaccounted for Water for April-December, 2009:</b>		<u>9.91%</u>

Source: Billing Reports and Purchased Water Invoices for Fernway Service Area.

**ILLINOIS-AMERICAN WATER COMPANY**  
**FERNWAY SERVICE DISTRICT**  
 Historical Water Usage  
 For the Calendar Years 2007 through 2009

Month	Average	2009	2008	2007	Average Usage Plus NRW	2009 Usage Plus NRW	2008 Usage Plus NRW	2007 Usage Plus NRW
January	21,125	15,583	28,240	19,553	15,324	15,119	15,580	15,273
February	6,605	14,156	(108)	5,766	14,336	13,561	14,973	14,474
March	16,844	12,190	13,632	24,709	15,226	14,664	15,192	15,822
April	15,930	14,232	26,214	7,343	14,804	14,492	14,730	15,190
May	11,656	12,985	(199)	22,183	17,765	16,621	16,989	19,684
June	11,494	14,763	16,246	3,474	18,950	16,730	17,649	22,471
July	25,837	14,533	35,157	27,820	20,538	20,216	20,574	20,825
August	16,041	18,717	92	29,315	19,470	19,645	21,034	17,730
September	13,510	16,873	17,871	5,786	16,479	16,237	15,195	18,004
October	22,660	16,013	29,291	22,675	15,588	15,110	14,867	16,786
November	7,113	13,094	209	8,036	14,181	13,313	14,313	14,916
December	11,429	11,926	12,450	9,912	15,623	15,415	15,085	16,370
<b>Total</b>	<b>180,244</b>	<b>175,065</b>	<b>179,095</b>	<b>186,572</b>	<b>198,283</b>	<b>191,123</b>	<b>196,181</b>	<b>207,545</b>
<b>Nine-Months April through December</b>	<b>135,670</b>	<b>133,136</b>	<b>137,331</b>	<b>136,544</b>	<b>153,397</b>	<b>147,779</b>	<b>150,436</b>	<b>161,976</b>
<b>Total</b>					<b>9.10%</b>			
<b>Nine Months April through December</b>					<b>11.56%</b>			

Source: Current year and prior year Exhibit C

**ILLINOIS-AMERICAN WATER COMPANY**  
**FERNWAY SERVICE DISTRICT**  
 Summary of Lake Water Purchases and Cost Recovery  
 For the Year 2009

VARIABLE COSTS	(A) Actual Cost of Lake Water Purchased	(B) Cost Recovery via Lake Water Supply Charge	(A-B) Monthly Unrecovered (Over recovered) Supply Charge Cost	Cumulative Unrecovered (Over recovered) Supply Charge Cost
Month				
<b>Balance forwarded from prior year:</b>				
2008 R-Factor				\$ 10,493
Total balance forwarded:				<u>10,493</u>
January	\$ 39,604	\$ 44,873	\$ (5,269)	5,224
February	35,523	42,193	(6,670)	(1,446)
March	38,412	37,530	882	(565)
April	37,962	42,632	(4,670)	(5,235)
May	43,539	39,707	3,832	(1,403)
June	43,824	45,175	(1,351)	(2,753)
July	52,956	44,471	8,485	5,732
August	51,460	57,274	(5,814)	(82)
September	42,533	51,631	(9,099)	(9,181)
October	39,581	49,018	(9,437)	(18,618)
November	34,873	40,068	(5,194)	(23,812)
December	<u>40,380</u>	<u>36,494</u>	<u>3,886</u>	<u>(19,926)</u>
<b>Total:</b>	<u>\$ 500,647</u>	<u>\$ 531,066</u>	<u>\$ (30,419)</u>	<u>(19,926)</u>
Unrecovered (Over recovered) variable supply charges:				<u>(19,926)</u>
Utility-determined reconciliation component:				(19,926)
Cost of Water Exceeding the Non-revenue Water Level of 14.89% during the Year				-
Total Level Unrecovered (Over recovered) variable supply charges (VSC):				<u>\$ (19,926)</u>
Metered Usage	<u>175,065</u>	Per Exhibit C		
Maximum allowed + UFW	<u>202,715</u>	Metered usage divided by 1 minus the UFW maximum		
Metered Usage + UFW	<u>191,123</u>	Per Exhibit C		
Metered Usage + UFW > Max	(11,592)	Actual Metered Usage + UFW less Max allowed per tariff (13.64%)		
Rate / 1,000 gallons	\$ 2.6195	Cost of Lake Water divided by Metered Usage + UFW		
Cost of Lakewater over UFW	<u>\$ -</u>	Lakewater cost exceeding the Max UFW		

Source: Bill Data and Purchase Data reports.