

**Aqua Illinois, Inc.**

**Candlewick Water Division**

**Workpapers**

**AQUA ILLINOIS, INC.**  
Candlewick Water Division  
Rate Case Docket No. 11-

Period Reported: 2012

Schedule WP-A5  
Page 1 of 3  
Person Responsible: P. Hanley

## **Jurisdictional Allocation Summary Workpaper**

### **Corporate Office Allocation Procedures**

Line

- |   |   |
|---|---|
| 1 | Costs related to the Company's Corporate Office are allocated among each of the |
| 2 | operating divisions based upon customer count.                                  |

Proposed Test Year Period: Future  
 Period Reported: Average 2012

### Jurisdictional Allocation Summary Workpaper

Line	Account Number (A)	Account Description (B)	Candlewick Water Allocation Factors	
			Local Accounts (C)	Corporate Office (D)
1		<b>Intangible Plant</b>		
2	301	Organization	100%	0%
3	302	Franchises & Consents	100%	0%
4		<b>Source of Supply Plant</b>		
5	303	Land and Land Rights	100%	0%
6	304	Structures and Improvements	100%	0%
7	306	Lake, River and Other Intakes	100%	0%
8	307	Wells and Springs	100%	0%
9	309	Supply Mains	100%	0%
10				
11				
12		<b>Pumping Plant</b>		
13	303	Land and Land Rights	100%	0%
14	304	Structures and Improvements	100%	0%
15	310	Power Generating Equipment	100%	0%
16	311	Electric Pumping Equipment	100%	0%
17		Water Treatment Plant		
18	303	Land and Land Rights	100%	0%
19	304	Structures and Improvements	100%	0%
20	320	Water Treatment Equipment	100%	0%
21				
22		<b>Transmission &amp; Dist. Plant</b>		
23	303	Land and Land Rights	100%	0%
24	304	Structures and Improvements	100%	0%
25	330	Dist. Reservoirs & Standpipes	100%	0%
26	331	T & D Mains	100%	0%
27	333	Services	100%	0%
28	334	Meters	100%	0%
29	334	Meter Installations	100%	0%
30	335	Hydrants	100%	0%
31				
32		<b>General Plant</b>		
33	303	Land and Land Rights	100%	3.1495%
34	304	Structures and Improvements	100%	3.1495%
35	344	Laboratory Equipment	100%	0.0000%
36	340500	Office Furniture & Equipment	100%	3.1495%
37	340550	Personal Computers	100%	3.1495%
38	340560	PC Software	100%	3.1495%
39	340556	MainFrame Computers	100%	3.1495%
40	340565	MainFrame Software	100%	3.1495%
41	340	Other Machinery & Equipment	100%	0.0000%
42	346	Communication Equipment	100%	3.1495%
43	347	Miscellaneous Equipment	100%	0.0000%
44	341	Transportation Equipment	100%	0.0000%
45	343	Tools, Shop and Garage Equip.	100%	0.0000%

(1) General Accounts 303, 304, 340500-340565 & 346 include Corporate accounts. The balances of these Corporate accounts are allocated among operating divisions based on customer count. (See Schedule A-5, page 2, line 1)

Proposed Test Year Period: Future  
 Period Reported: Average 2012

### Jurisdictional Allocation Summary Workpaper

#### Jurisdictional Allocation Statistics

Line	Aqua Illinois, Inc. Operating Division (A)	Ave. 2012 Customer Count (B)	Allocation Factor % (C)	Ave. 2012 Plant (net of CIAC) (D)	Allocation Factor % (E)	2011 & 2012 Tank Painting Expense (F)	Allocation Factor % (G)	2011 Pension Expense (H)	Allocation Factor % (I)	2011 OPEB Expense (J)	Allocation Factor % (K)
1	Corporate			\$10,463,001	3.89%			\$154,227	14.84%	\$4,420	14.85%
2	Kankakee	29,312	45.75%	112,009,505	41.59%	\$133,810	51.96%	364,739	35.11%	10,452	35.10%
3	Willowbrook:										
4	Water	1,029	1.61%	4,022,260	1.49%	10,747	4.17%	27,835	2.68%	798	2.68%
5	Sewer	1,082	1.69%	4,601,577	1.71%			27,804	2.68%	797	2.68%
6	University Park:										
7	Water	2,503	3.91%	8,875,850	3.30%	36,026	13.99%	59,176	5.70%	1,696	5.70%
8	Sewer	2,317	3.62%	19,074,712	7.08%			49,204	4.74%	1,410	4.74%
9											
10	Fairhaven Estates Water	88	0.14%	357,855	0.13%	0	0.00%	0	0.00%	0	0.00%
11											
12	Candlewick:										
13	Cw. Water	2,018	3.15%	4,343,232	1.61%	0	0.00%	8,769	0.84%	251	0.84%
14	Cw. Sewer	2,013	3.14%	9,997,066	3.71%			17,595	1.69%	504	1.69%
15	Oak-Run	1,353	2.11%	2,588,775	0.96%	12,410	4.82%	0	0.00%	0	0.00%
16	Hawthorn Woods Water	478	0.75%	4,249,413	1.58%	0	0.00%	0	0.00%	0	0.00%
17	Hawthorn Woods Sewer	445	0.69%	2,331,910	0.87%			0	0.00%	0	0.00%
18	Ivanhoe Water	292	0.46%	226,226	0.08%	4,576	1.78%	0	0.00%	0	0.00%
19	Ivanhoe Sewer	193	0.30%	2,345,154	0.87%			0	0.00%	0	0.00%
20	Ravenna	54	0.08%	367,195	0.14%	0	0.00%	0	0.00%	0	0.00%
21	Ellwood Greens Sewer	238	0.37%	186,807	0.07%			7,312	0.70%	210	0.71%
22	Vermilion	20,659	32.24%	83,273,734	30.92%	59,935	23.28%	322,316	31.02%	9,236	31.02%
23											
24	TOTAL	64,074	100%	\$269,314,272	100%	\$257,503	100%	\$1,038,977	100%	\$29,774	100%
25											
26											
27	Consol. Water	28,474	44.44%	108,304,541	40.21%	123,694	48.04%	418,096	40.24%	11,981	40.24%
28											
29	Consol. Sewer	6,288	9.81%	38,537,225	14.31%	0	0.00%	101,915	9.81%	2,921	9.81%

Proposed Test Year Period: Future  
 Period Reported: 2011 & 2012

### Jurisdictional Rate Base Summary

Detailed Back-up for Calculation of Average Test Year

Line	Rate Base Component (A)	Supporting Schedule (B)	Projected 12/31/2011 (C)	2011 to 2012 Change (D)	Projected 12/31/2012 (E)	Ave. Future Test Year (C + E)/2 (F)
1	Gross Utility Plant in Service at Orig. Cost	B - 5	\$ 4,806,520	\$ 119,753	\$ 4,926,273	\$ 4,866,397
2	Allocation of Corporate Gross Util. Plant	B - 5	\$ 317,885	23,291	\$ 341,176	329,530
3	Utility Plant Acquisition Adjustment - Net	WP-B5.2	\$ -	-	\$ -	-
4	Non-AFUDC CWIP	B - 7	-	-	-	-
5	Less: Reserve for Accum. Depreciation	B - 6	1,877,010	160,092	2,037,102	1,957,056
6	Allocation of Corp. Res. For Accum. Dep.	B - 6	104,241	2,895	107,136	105,689
7	Net Utility Plant		\$ 3,143,154	\$ (19,944)	\$ 3,123,210	\$ 3,133,182
8						
9	<b>Additions</b>					
10						
11	Property Held For Future Use	B - 11	-	-	-	-
12	Deferred Charges	B - 10	1,195	-	1,195	1,195
13	Materials & Supplies	B - 8.1	11,822	149	11,970	11,896
14	Cash Working Capital	WP-B8	55,199	1,871	57,070	56,135
15	Amort. of Contributions In Aid of Const.	B - 15	220,189	9,888	230,077	225,133
16						
17	<b>Deductions</b>					
18						
19	FAS 87 Pension	B - 87	33,779	(0)	33,779	33,779
20	FAS 106 OPEB	B -106	5,147	0	5,147	5,147
21	Customer Advances	B - 15	-	-	-	-
22	Contributions In Aid of Construction	B - 15	523,164	-	523,164	523,164
23	Deferred Income Taxes - Total	B - 9	406,579	36,861	443,440	425,009
24						
25						
26	Original Cost Rate Base		\$ 2,462,889	\$ (44,896)	\$ 2,417,993	\$ 2,440,441

Proposed Test Year: Future  
 Period Reported: 2012

**Property Merged or Acquired from Other Utilities**

Supporting Workpaper - Utility Plant Acquisition Adjustment - Net of Accumulated Amortization

Line	Approval Date & Order No. (A)	Property Description (B)	Net Balance 12/31/2009 (C)	Annual Amortization (D)	Net Balance 12/31/2010 (Col. C-Col. D) (E)	Net Balance 12/31/2011 (Col. E-Col. D) (F)	Net Balance 12/31/2012 (Col. F-Col. D) (G)	Property Accounting Treatment (H)
1		<u>Acquisitions not Requiring Amortization to Rate Base:</u>						
2								
3			\$ -	\$ -	\$ -	\$ -	\$ -	
4								
5								
6								
7			\$ -	\$ -	\$ -	\$ -	\$ -	
8								
9								
10								
11			\$ -	\$ -	\$ -	\$ -	\$ -	
12			\$ -	\$ -	\$ -	\$ -	\$ -	
13								
14								
15			\$ -	\$ -	\$ -	\$ -	\$ -	
16								
17								
18		<u>Subtotal:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	
19								
20								
21								
22		<u>Acquisitions Requiring Amortization to Rate Base:</u>						
23								
24			\$ -	\$ -	\$ -	\$ -	\$ -	
25								
26								
27			\$ -	\$ -	\$ -	\$ -	\$ -	
28								
29								
30								
31		<u>Subtotal:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	To WP-B1, line 3
32								
33								
34								
35		<u>Total</u>	\$ -	\$ -	\$ -	\$ -	\$ -	

Period Reported: 2012

### Allowance for Funds Used During Construction - Candlewick Water Division

#### Supporting Workpaper - Test Year Analysis

<u>Line</u>	<u>Month</u> <u>(A)</u>	<u>Total CWIP</u> <u>Balance (1)</u> <u>(B)</u>	<u>CWIP Bal.</u> <u>with AFUDC</u> <u>(C)</u>	<u>CWIP Bal.</u> <u>w/o AFUDC</u> <u>(D)</u>	<u>Ave.</u> <u>AFUDC</u> <u>Accrual Rate</u> <u>(E)</u>	<u>AFUDC</u> <u>Generated</u> <u>(F)</u>
1	January	\$8,278	\$0	\$8,278	0.172%	
2						
3	February	\$16,555	\$0	\$16,555	0.172%	
4						
5	March	\$16,991	\$0	\$16,991	0.172%	
6						
7	April	\$23,962	\$0	\$23,962	0.172%	
8						
9	May	\$30,932	\$0	\$30,932	0.172%	
10						
11	June	\$15,684	\$0	\$15,684	0.172%	
12						
13	July	\$21,348	\$0	\$21,348	0.172%	
14						
15	August	\$27,011	\$0	\$27,011	0.172%	
16						
17	September	\$5,228	\$0	\$5,228	0.172%	
18						
19	October	\$10,892	\$0	\$10,892	0.172%	
20						
21	November	\$15,248	\$0	\$15,248	0.172%	
22						
23	December	\$0	\$0	-	0.172%	
24						
25					2.06%	\$ -

1) Please note, this is rate jurisdictional CWIP - will therefore not tie to Total Company CWIP on Schedule D-2, pages 3 & 4.

Period Reported: 2011 & 2012

### Cash Working Capital

2011 and 2012 Supporting Workpapers

<u>Line</u>	Individual Component and Calculation Methodology <u>(A)</u>	Amount <u>(B)</u>	Supporting Workpapers or Schedules <u>(C)</u>
	<u>2011 Cash Working Capital:</u>		
1	Total Operating Expenses (Pre Income Taxes)	\$ 652,294	C-4p3, Col. H, lines 19 - 23
2	Less:		
3	Uncollectible Accounts Expense	22,568	C-4p3, Col. H, line 17
4	Annual Amortization of Rate Case Expense	-	C-4p3, Col. H, line 16
5	Depreciation Expense	174,067	C-4p3, Col. H, line 20
6	Amortization of Utility Plant Acquisition Adjust.	-	C-4p3, Col. H, line 21
7	Amortization Expense	-	C-4p3, Col. H, line 22
8	Real Estate Tax Expense	<u>14,067</u>	C-19p2, Col. C, line 11
9	Operating Expense Requiring Working Capital	\$ 441,592	
10	45 (lag days) / 360 (30 day month year)	<u>12.50%</u>	
11	TOTAL:	\$ 55,199	
12			
13			
14	<u>2012 Cash Working Capital:</u>		
15			
16			
17	Total Operating Expenses (Pre Income Taxes)	\$ 673,162	C-4p3, Col. K, lines 19 - 23
18	Less:		
19	Uncollectible Accounts Expense	23,347	C-4p3, Col. K, line 17
20	Annual Amortization of Rate Case Expense	-	C-4p3, Col. K, line 16
21	Depreciation Expense	178,764	C-4p3, Col. K, line 20
22	Amortization of Utility Plant Acquisition Adjust.	-	C-4p3, Col. K, line 21
23	Amortization Expense	-	C-4p3, Col. K, line 22
24	Real Estate Tax Expense	<u>14,489</u>	C-19p2, Col. C, line 16
25	Operating Expense Requiring Working Capital	\$ 456,562	
26	45 (lag days) / 360 (30 day month year)	<u>12.50%</u>	
27	TOTAL:	\$ 57,070	

AQUA ILLINOIS, INC.  
 Candlewick Water Division  
 Rate Case Docket No. 11-  
 Period Reported: 2010 -2012  
 Prior Year (2009) 12 Mo. Actual

Schedule WP-89.1  
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 Person Responsible: P. Hanley

**Detailed Listing of Balance Sheet Assets and Liabilities - Rate Base**

Debit / (Credit)	Components	ICC & Aqua Illinois, Inc.		Description of Event	Candlewick Water Proj.		Candlewick Water Proj.		Candlewick Water Proj.		Candlewick Water Proj.		
		Account #	(C)		TOTAL Proj. Difference as of 12/31/2010	Difference as of 12/31/2010 (D x E)	TOTAL Proj. Difference as of 12/31/2011	Difference as of 12/31/2011 (D x G)	Candlewick Water Proj. Ave. 2011 (F + H)/2	TOTAL Proj. Difference as of 12/31/2012	Difference as of 12/31/2012 (D x J)	Ave. Future Test Year 2012 (H + K)/2	Candlewick Water Proj. Difference to C-5 (L - I)
Line	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Rate Base Items Only				See Column A									
			<u>Allocator</u>	<u>Allocation %</u>									
1	Overheads and Other	283	Plant	1.51%	\$ (8,746,365)	(\$141,053)	\$ (8,746,365)	(\$141,053)	\$ (141,053)	\$ (8,746,365)	(\$141,053)	\$ (141,053)	\$ -
2	PostRetirement Benefits	253	Expense	0.84%	392,719	3,311	392,719	3,311	3,311	392,719	3,311	3,311	-
3	Pension	253	Expense	0.84%	2,575,549	21,738	2,575,549	21,738	21,738	2,575,549	21,738	21,738	-
4	Tank Painting	186	Expense	0.00%	(1,447,882)	-	(1,292,431)	0	-	(1,115,691)	0	-	-
5	Excess Tax Depreciation	108	Plant	1.61%	(59,553,000)	(960,411)	(71,506,223)	(1,153,181)	(1,056,796)	(79,679,946)	(1,286,872)	(1,211,026)	(154,230)
6	Cost of Removal / Loss	108	Plant	1.61%	(1,939,784)	(31,283)	(1,939,784)	(31,283)	(31,283)	(1,939,784)	(31,283)	(31,283)	-
7	Contributions in Aid of Construction	271	Plant	1.61%	9,096,742	146,703	9,096,742	146,703	146,703	9,096,742	146,703	146,703	-
8	Customer Advances	252	Plant	1.61%	46,617	752	46,617	752	752	46,617	752	752	-
9	Cleaning Intake (Kankakee)	186	Actual	0.00%	(7,392)	-	(3,535)	0	-	-	0	-	-
10	Oak Run Negative Excess Deprec.	108	Plant	0.00%	(52,085)	-	(52,085)	0	-	(52,085)	0	-	-
11													
12													
13													
14	Total Deferred Income Taxes				\$ (59,834,680)	\$ (960,244)	\$ (71,428,795)	\$ (1,153,013)	\$ (1,056,628)	\$ (78,422,243)	\$ (1,268,704)	\$ (1,210,858)	\$ (154,230)

**Detailed Jurisdictional Operating Income Summary**

Proposed Test Year Period: Future  
 Period Reported: 2012

Detailed Back-up Workpaper

Line	Account Number (A)	Income Statement Category (B)	Unadj. Jurisdictional Balance at Present Rates (C)	Adjustments (D)	Supporting Schedule Source (E)	Pro Forma Present Rates (F)	Rate Increase and Related Adjustments (G)	Projected Future Year 2012 (H)
1	460-474	Operating Revenues	\$ 861,645	\$ -	C - 2.1	\$ 861,645	\$ 162,903	\$ 1,024,547
2								
3	601	Salaries & Wages, Employees	96,767			96,767		96,767
4	603	Salaries & Wages, Officers	6,276			6,276		6,276
5	604	Employee Pensions & Benefits	35,113			35,113		35,113
6	615 & 616	Purchased Power & Fuel for Power Prod.	62,043			62,043		62,043
7	618	Chemicals	9,343			9,343		9,343
8	620	Materials & Supplies	4,573			4,573		4,573
9	631	Contractual Services - Engineering	494			494		494
10	632	Contractual Services - Accounting	3,283			3,283		3,283
11	633	Contractual Services - Legal	7,416			7,416		7,416
12	634	Contractual Services - Management	44,100			44,100		44,100
13	635 & 636	Contractual Services - Other	63,789			63,789		63,789
14	641 - 642	Lease Expense	5,809			5,809		5,809
15	650	Transportation Expense	13,642			13,642		13,642
16	656 - 659	Insurance Expense	10,362			10,362		10,362
17	666 & 667	Regulatory Commission Exp. Amortization	-	12,587	C - 2.2	12,587		12,587
18	670	Bad Debt Expense	23,347	-	C - 2.3	23,347	4,414	27,761
19	675	Miscellaneous Expense	63,560			63,560		63,560
20		SUB-TOTAL O&M	449,918	12,587		462,505	4,414	466,919
21	403	Depreciation	178,764	16,543	C - 2.4	195,308		195,308
22	406	Amortization of Utility Plant Acquisition Adjust.	-			-		-
23	407	Amortization Expense	-			-		-
24	408	Taxes Other Than Income	44,480			44,480		44,480
25								
26		TOTAL EXPENSES (Excluding Income Tax)	\$ 673,162	\$ 29,131		\$ 702,293	\$ 4,414	\$ 706,707
27								
28	409 - 411	Income Taxes Federal	35,216	(8,455)	C - 2.5	26,762	50,201	76,963
29	409 - 411	State	7,906	120	C - 2.5	8,026	15,056	23,083
30		Amort. of ITC	-			-		-
31		TOTAL EXPENSES (Including Income Tax)	\$ 716,285	\$ 20,796		\$ 737,081	\$ 69,672	\$ 806,753
32								
33		Net Operating Income	\$ 145,360	\$ (20,796)		\$ 124,564	\$ 93,231	\$ 217,795
34								
35	419,421,426	Non-operating Income - Net	(2,148)	-		(2,148)		(2,148)
36	409	Non-operating Income Taxes	-	-		-		-
37								
38	420,427-429	Interest Expense -	78,030	(2,614)		75,416	-	75,416
39								
40		Net Income	\$ 65,181	\$ (18,182)		\$ 46,999		\$ 140,230
41								
42		Rate Base -(B - 1) - Future Test Year Average	\$ 2,440,441	\$ 4,444		\$ 2,444,885		\$ 2,444,885
43								
44		Return on Rate Base - (D - 1)	5.96%			5.09%		8.91%

AQUA ILLINOIS, INC.  
Candlewick Water Division  
Rate Case Docket No. 11-

Schedule  
Page  
Person Responsible:

WP-C17  
1 of 2  
P. Hanley

Period Reported: 2008 & 2009

	Date of Loss	Status	Claimant	Coverage	Net Incurred:		
					Insured	Paid	Outstanding
1	31-Jan-08	4/18/2008	Davis, Ryan	Workers' Compensation	\$65.68	\$65.68	\$ -
2	18-Feb-08	8/23/2008	Davison, Danny	Workers' Compensation	\$114.48	\$114.48	\$ -
3	18-Feb-08	4/30/2008	Wright, Patty	Workers' Compensation	\$146.20	\$146.20	\$ -
4	10-Mar-08	6/30/2008	Myers-Martin, Angeleque	Workers' Compensation	\$4,451.78	\$4,451.78	\$ -
5	26-Mar-08	5/27/2008	Micka, Antye	Workers' Compensation	\$272.30	\$272.30	\$ -
6	18-May-08	12-Sep-08	Kelly, Charles	Workers' Compensation	\$0.00	\$0.00	\$ -
7	5-Jun-08	21-Aug-08	Hupe, Louis D	Workers' Compensation	\$1,331.01	\$1,331.01	\$ -
8	9-Jun-08	20-Jul-09	Martin, Marty	Workers' Compensation	\$10,852.44	\$10,852.44	\$ -
9	25-Jul-08	19-Sep-08	Fisher, Demesha C	Workers' Compensation	\$1,582.34	\$1,582.34	\$ -
10	7-Aug-08	24-Sep-08	Myers-Martin, Angeleque	Workers' Compensation	\$680.36	\$680.36	\$ -
11	5-Sep-08	24-Oct-08	Bays, Christian L	Workers' Compensation	\$7.00	\$7.00	\$ -
12	9-Oct-08	28-Jan-09	Ciacchino, Jerome D	Workers' Compensation	\$234.38	\$234.38	\$ -
13	5-Jan-08	7-Feb-08	Obenion, John	General Liability	\$18,906.98	\$18,906.98	\$ -
14	8-Feb-08	11-Apr-08	Keast, Jeff	General Liability	\$16,057.48	\$16,057.48	\$ -
15	8-Apr-08	17-Sep-08	Michell, Taurance	General Liability	\$4,553.45	\$4,553.45	\$ -
16	5-May-08	27-Jun-08	Sharp, Barbara	General Liability	\$9,552.09	\$9,552.09	\$ -
17	10-Jun-08	24-Feb-09	Buranakul, Bhiron MD	General Liability	\$0.00	\$0.00	\$ -
18	10-Jun-08	26-Jan-09	Walker, John	General Liability	\$0.00	\$0.00	\$ -
19	19-Jun-08	11-Sep-08	Lopez, Tammy	General Liability	\$0.00	\$0.00	\$ -
20	8-Sep-08	22-Oct-08	Childress, Keely	General Liability	\$16,665.62	\$16,665.62	\$ -
21	8-Sep-08	9-Oct-08	Childress, Keely	General Liability	\$0.00	\$0.00	\$ -
22	10-Nov-08	Open	Allen, Joseph	General Liability	\$5,100.00	\$0.00	\$ 5,100.00
23	11-Nov-08	Open	Peoples, Tricia	General Liability	\$1,100.00	\$0.00	\$ 1,100.00
24	1-Dec-08	19-Aug-09	Brown, Daniel	General Liability	\$0.00	\$0.00	\$ -
25	21-Dec-08	18-Mar-09	Holland, Melissa	General Liability	\$32,064.04	\$32,064.04	\$ -
26	21-Dec-08	19-May-09	Gordon, Darin	General Liability	\$8,000.00	\$8,000.00	\$ -
27	21-Dec-08	19-Jun-09	Holland, Melissa	General Liability	\$0.00	\$0.00	\$ -
28	21-Dec-08	19-Jun-09	Gordon, Darin	General Liability	\$0.00	\$0.00	\$ -
29	29-Dec-08	26-Jun-09	Huffman, Randy	General Liability	\$590.20	\$590.20	\$ -
30	16-May-08	23-Jul-08	Wilbanks, Jodi	General Liability	\$1,805.88	\$1,805.88	\$ -
31	26-Jan-09	3/12/2009	Davison, Danny	Workers' Compensation	\$1,685.07	\$1,685.07	\$ -
32	9-Apr-09	6/2/2009	Myers, Jeffrey	Workers' Compensation	\$658.88	\$658.88	\$ -
33	18-May-09	7/1/2009	Blazakis, Stephen L	Workers' Compensation	\$0.00	\$0.00	\$ -
34	20-May-09	7/28/2009	Harndon, Jaycan	Workers' Compensation	\$201.13	\$201.13	\$ -
35	20-May-09	8/3/2009	Croak, Mitch	Workers' Compensation	\$151.70	\$151.70	\$ -
36	13-Aug-09	Open	Oliver, Gregory M	Workers' Compensation	\$0.00	\$0.00	\$ -
37	3-Jan-09	Open	Emme, Steve	General Liability	\$7,189.00	\$3,692.50	\$ 3,476.50
38	3-Jan-09	Open	Siew's Auto Sales	General Liability	\$62,000.00	\$0.00	\$ 62,000.00
39	3-Jan-09	Open	Girard Electric	General Liability	\$5,330.53	\$330.53	\$ 5,000.00
40	23-Jan-09	Open	Phillips, Cheryl	General Liability	\$1,000.00	\$0.00	\$ 1,000.00
41	23-Jan-09	10-Jun-09	Brown, Carolyn	General Liability	\$1,283.16	\$1,283.16	\$ -
42	30-Jan-09	24-Mar-09	Huddleson, Debra	General Liability	\$37,446.84	\$37,446.84	\$ -
43	10-Feb-09	Open	Talley, Patrice	General Liability	\$18,600.00	\$0.00	\$ 18,600.00
44	26-Mar-09	18-May-09	Lagasse, Steve	General Liability	\$0.00	\$0.00	\$ -
45	6-Apr-09	22-Jun-09	Plenty, Andras	General Liability	\$10,081.09	\$10,081.09	\$ -
46	15-Jun-09	Open	Mitchell, David	General Liability	\$8,000.00	\$4,824.29	\$ 3,175.71
47	23-Jun-09	Open	Ortman, Robert Mrs.	General Liability	\$1,600.00	\$0.00	\$ 1,600.00
48	22-Jul-09	Open	Dyson, Surlanda	General Liability	\$1,750.00	\$0.00	\$ 1,750.00
49	3-Jan-09	4-Mar-09	Emme, Steve	Auto Liability	\$0.00	\$0.00	\$ -
					\$291,091.11	\$188,288.90	\$102,802.21

**AQUA ILLINOIS, INC.**  
**Candlewick Water Division**  
**Rate Case Docket No. 11-**

Schedule  
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Person Responsible:

WP-C17  
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P. Hanley

Period Reported: 2010

							Net Incurred:
	<u>Date of Loss</u>	<u>Status</u>	<u>Claimant</u>	<u>Coverage</u>	<u>Incurred</u>	<u>Paid</u>	<u>Outstanding</u>
1	2-Mar-10	5/17/2010	Sellers, Amy	Auto Liability	\$174.89	\$174.89	\$ -
2	8-Nov-10	Open	Zimmerman, Brenda	General Liability	\$2,500.00	\$0.00	\$ 2,500.00
3	29-Oct-10	Open	Samuelson, Paul	General Liability	\$15,000.00	\$0.00	\$ 15,000.00
4	29-Oct-10	Open	Samuelson, Kim & Patri	General Liability	\$71,819.70	\$51,039.70	\$ 20,780.00
5	29-Oct-10	Open	Harper, Cheryl	General Liability	\$5,000.00	\$0.00	\$ 5,000.00
6	29-Oct-10	Open	Baston, Shirley	General Liability	\$5,000.00	\$0.00	\$ 5,000.00
7	29-Oct-10	Open	Blake, Carl	General Liability	\$5,000.00	\$0.00	\$ 5,000.00
8	4-Sep-10	Open	Andrew, Herman	General Liability	\$1,750.00	\$0.00	\$ 1,750.00
9	28-Apr-10	Open	Arnette, Connie	General Liability	\$1,350.00	\$0.00	\$ 1,350.00
10	1-Dec-10	Open	Devore, Gary	Workers' Compensation	\$7.00	\$7.00	\$ -
11	11-Oct-10	Open	Manago, Jerry L	Workers' Compensation	\$3,614.00	\$691.64	\$ 2,922.36
12	2-Aug-10	Open	Yates, Stephan R	Workers' Compensation	\$3,026.30	\$513.76	\$ 2,512.54
13	26-Jul-10	Open	Myers-Martin, Angeliqne	Workers' Compensation	\$3,000.00	\$0.00	\$ 3,000.00
14	20-Jul-10	3-Sep-10	Hudson, Ulysses	Workers' Compensation	\$123.16	\$123.16	\$ -
15	14-Jul-10	23-Aug-10	Hudson, Ulysses	Workers' Compensation	\$323.63	\$323.63	\$ -
16	29-Jun-10	10-Aug-10	Lamb, Charles	Workers' Compensation	\$349.40	\$349.40	\$ -
17	25-Jun-10	27-Sep-10	Michenfelder, Schulyer A	Workers' Compensation	\$0.00	\$0.00	\$ -
18	18-Jun-10	2-Aug-10	Hupe, Louis D	Workers' Compensation	\$217.78	\$217.78	\$ -
19	11-Jun-10	26-Jul-10	Munger, Cynthia	Workers' Compensation	\$669.68	\$669.68	\$ -
20	7-Apr-10	28-May-10	Richards, Frances	Workers' Compensation	\$0.00	\$0.00	\$ -
21	26-Feb-10	Open	Martin, Marty	Workers' Compensation	\$3,000.00	\$0.00	\$ 3,000.00
22	22-Feb-10	12-Apr-10	Manago, Jerry L	Workers' Compensation	\$1,607.78	\$1,607.78	\$ -
					\$123,533.32	\$55,718.42	\$67,814.90

Proposed Test Year Period: Future  
 Period Reported: 2009 - 2012  
 Prior Year (2009) 12 Mo. Actual

**Taxes Other Than Income Taxes - Total Company**

**Monthly / Average Balances for Accrued Property Taxes**

		(Debit) / Credit													
Line	Municipality (A)	Beginning Balance (B)	January (C)	February (D)	March (E)	April (F)	May (G)	June (H)	July (I)	August (J)	September (K)	October (L)	November (M)	December (N)	Ave. Monthly Balance (O)
1	<u>2009</u>														
2	Accrued Property Taxes	\$778,213	846,487	914,761	982,035	1,051,309	1,027,356	984,247	867,470	725,728	607,660	674,464	741,270	808,073	\$846,852
3															
4															
5															
6															
7															
8															
9	<u>Projected 2010</u>														
10	Accrued Property Taxes	808,073	877,331	946,591	1,015,849	1,085,109	1,008,491	1,002,455	710,842	645,652	730,720	815,781	846,444	915,240	\$877,583
11															
12															
13															
14															
15															
16															
17	<u>Projected 2011</u>														
18	Accrued Property Taxes	915,240	946,328	1,020,861	1,095,393	1,169,927	1,093,191	1,091,982	754,204	702,227	793,416	884,596	913,616	986,210	\$951,322
19															
20															
21															
22															
23															
24															
25	<u>Projected 2012</u>														
26	Accrued Property Taxes	986,210	974,718	1,051,488	1,128,256	1,205,026	1,125,987	1,124,742	776,831	723,294	817,218	911,134	941,025	1,015,797	\$983,210

Proposed Test Year Period: Future  
 Period Reported: 2009 - 2012  
 Prior Year (2009) 12 Mo. Actual

**Taxes Other Than Income Taxes - Candlewick Water Division**

**Monthly / Average Balances for Accrued Property Taxes**

		(Debit) / Credit														
Line	Municipality (A)	Beginning Balance (B)	January (C)	February (D)	March (E)	April (F)	May (G)	June (H)	July (I)	August (J)	September (K)	October (L)	November (M)	December (N)	Ave. Monthly Balance (Q)	
1	<u>2009</u>															
2	Accrued Property Taxes	\$ 11,969	\$ 12,966	\$ 13,963	\$ 14,960	\$ 15,957	\$ 16,954	\$ 12,163	\$ 14,213	\$ 8,866	\$ 9,974	\$ 11,082	12,191	13,299	\$ 12,966	
3																
4																
5																
6																
7																
8																
9	<u>Projected 2010</u>															
10	Accrued Property Taxes	13,299	14,440	15,582	16,723	17,865	12,440	13,329	14,456	9,017	10,161	11,304	12,448	13,592	\$ 13,435	
11																
12																
13																
14																
15																
16																
17	<u>Projected 2011</u>															
18	Accrued Property Taxes	\$13,592	15,134	16,331	17,527	18,724	13,038	13,970	15,151	9,450	10,649	11,847	13,046	14,245	\$ 14,054	
19																
20																
21																
22																
23																
24																
25	<u>Projected 2012</u>															
26	Accrued Property Taxes	\$ 14,245	15,588	16,821	18,062	19,285	13,429	14,389	15,605	9,734	10,969	12,203	13,438	14,673	\$ 14,485	

Proposed Test Year Period: Future  
 Period Reported: 2009 - 2012  
 Prior Year (2009) 12 Mo. Actual

**Monthly Balances for Common Equity**

Future Test Yr.  
 12 Months of  
 Ave. Monthly  
 Balances  
 (O)

Line	Common Equity Components (A)	Beginning Balance (B)	January (C)	February (D)	March (E)	April (F)	May (G)	June (H)	July (I)	August (J)	September (K)	October (L)	November (M)	December (N)	(O)
1	<b>Actual 2009</b>														
2	Common Equity														
3	Common Stock	\$3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	\$3,750,000
4	Premium on Capital Stock	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400
5	Other Paid-in Capital	32,290,095	32,299,464	32,308,833	32,267,063	32,275,529	32,283,994	32,292,459	32,301,017	32,309,575	32,318,134	32,326,692	32,335,250	32,343,808	
6	Retained Earnings:														
7	Appropriated	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929
8	Unappropriated	35,679,550	36,147,103	36,385,118	35,844,854	36,049,975	36,380,174	35,323,725	35,831,898	36,396,101	36,017,725	36,546,686	37,016,249	37,656,027	
9															
10	Total Common Equity	81,097,974	81,574,896	81,822,279	81,040,247	81,453,833	81,792,496	80,744,513	81,261,244	81,834,006	81,464,187	82,001,707	82,479,828	83,128,164	
11															
12	<b>Projected 2010</b>														
13	Common Equity:														
14	Common Stock	\$3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	\$3,750,000
15	Premium on Capital Stock	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400
16	Other Paid-in Capital	32,343,808	32,350,950	32,359,539	32,364,352	32,489,211	32,496,570	32,510,923	32,518,363	32,525,802	32,532,035	32,539,475	32,546,914	32,552,697	
17	Retained Earnings:														
18	Appropriated	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929
19	Unappropriated	37,656,027	37,999,720	38,374,018	37,820,264	38,287,829	38,236,972	38,687,130	39,268,425	40,063,106	39,888,761	40,433,633	40,020,917	40,482,086	
20															
21	Total Common Equity	83,128,164	83,478,998	83,861,886	83,312,945	83,905,168	83,861,870	84,306,382	84,913,117	85,717,237	85,549,125	86,101,437	85,696,160	86,163,112	
22															
23	<b>Projected 2011</b>														
24	Common Equity:														
25	Common Stock	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	\$3,750,000
26	Premium on Capital Stock	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400
27	Other Paid-in Capital	32,552,697	32,561,353	32,570,008	32,578,864	32,587,320	32,595,975	32,604,631	32,613,286	32,621,942	32,630,597	32,639,253	32,647,908	32,656,564	
28	Retained Earnings:														
29	Appropriated	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929
30	Unappropriated	40,482,086	41,040,996	41,572,051	39,968,336	40,492,749	41,067,827	39,497,742	40,169,231	40,797,724	39,277,491	39,846,202	40,362,435	38,772,232	
31															
32	Total Common Equity	86,163,112	86,730,678	87,270,388	85,675,329	86,208,397	86,792,131	85,230,702	85,910,847	86,547,995	85,036,417	85,613,784	86,138,672	84,557,125	
33															
34	<b>Projected 2012</b>														
35	Common Equity:														
36	Common Stock	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	\$3,750,000
37	Premium on Capital Stock	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400	8,966,400
38	Other Paid-in Capital	32,656,564	32,665,566	32,674,568	32,683,569	32,692,571	32,701,573	32,710,575	32,719,576	32,728,578	32,737,580	32,746,582	32,755,584	32,764,585	
39	Retained Earnings:														
40	Appropriated	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929	411,929
41	Unappropriated	38,772,232	39,334,398	39,865,702	38,854,588	39,377,036	39,947,261	38,964,824	39,632,905	40,256,503	39,331,413	39,897,963	40,411,174	39,411,563	
42															
43	Total Common Equity	84,557,125	85,128,293	85,688,599	84,666,487	85,197,936	85,777,163	84,803,727	85,480,811	86,113,410	85,197,322	85,772,873	86,295,086	85,304,477	
44															
45	<b>Average Monthly Balances - 2012</b>		\$84,842,709	\$85,398,446	\$85,167,543	\$84,932,211	\$85,487,549	\$85,290,445	\$85,142,269	\$85,797,110	\$85,655,366	\$85,485,098	\$86,033,980	\$85,799,782	<b>\$85,419,376</b>

**AQUA ILLINOIS, INC.**  
Candlewick Water Division  
Rate Case Docket No. 11-

Workpaper  
Page  
Person Responsible:

WP-D1  
2 of 2  
P. Hanley

Proposed Test Year Period: Future  
Period Reported: 2009 - 2012  
Prior Year (2009) 12 Mo. Actual

## Additional Schedule D-1 Workpaper

Line

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**Description of Company's Capital Structure Objectives**

The Company seeks to maintain a capital structure which enhances its credit worthiness and thus permits the issuance of debt at interest rates most beneficial to its customers. The desired capital structure reflects approximately 53% equity to reflect the greater relative risk of AQUA ILLINOIS, INC. based on its small size when compared to proxy groups per testimony and exhibits of Company witness Mr. Walker's Exhibit 5.

**Cost of Capital Adjustments for Unregulated or Non-Utility Activities.**

The Company's proposed Cost of Capital reflects no adjustments for unregulated or non-utility activities because there are no investments in unregulated or non-utility affiliates, nor are there any unregulated or non-utility investments included in Rate Base.

**List of Amounts Invested in Unregulated or Non-Utility Affiliates**

There are no AQUA ILLINOIS, INC. investments in unregulated or non-utility affiliates.

Period Reported: Ave. 2012

**Schedule D-3 Workpaper**

<u>Line</u>	<u>Premature Redemptions:</u>	<u>Reacquisition Date</u>	<u>Face Amount Retired</u>	<u>Call Premium</u>	<u>Call Price</u>	Annualized		<u>Refunding Issue</u>	
						<u>Unamortized Discount or Premium</u>	<u>Unamortized Debt Expense</u>		<u>Amort. Of Discount or Premium</u>
1	Series I - 9.19% Vermillion	0101/1996	\$ 6,000,000	\$ -	\$ 6,000,000	-	-	-	N/A
2	Tax Exempt - 7.50%	4/1/1996	10,000,000	300,000	10,300,000	-	-	-	N/A
3	Series P - 9.19%	1/14/2005	6,000,000	330,480	6,330,480	-	-	-	Series W
4	Series Q - 6.10%	12/30/2002	10,000,000	201,529	10,201,529	-	-	-	Series U
5	Series R - 6.00%	12/30/2002	2,800,000	53,571	2,853,571	-	-	-	Series T

Proposed Test Year Period: Future  
 Period Reported: 2005 - 2012  
 Prior Year (2009) 12 Mo. Actual

### Comparative Financial Data (Total Company) Workpaper

Detailed Back-up Workpaper to Schedule D-7, page 2 of 2

Line	Description (A)	Average Test Year 2012 (B)	Projected 2011 (C)	Projected 2010 (D)	2009 (E)	2008 (F)	2007 (G)	2006 (H)	2005 (I)
1	<b>Earnings Ratios:</b>								
2	AFUDC as a % of earnings for common	0.00	0.00	3.14	5.27	8.50	1.42	4.30	1.23
3	Line 2 Calculations	(0*100)/6,759,331	(0*100)/6,790,146	(186,019*100)/5,926,060	(315,030*100)/5,977,477	(525,843*100)/6,188,279	(97,141*100)/6,829,149	(252,133*100)/5,880,898	(59,555*100)/4,825,348
4									
5	Return on net original cost rate base	6.92%	7.05%	6.28%	6.59%	6.55%	7.47%	7.04%	6.90%
6	Line 3 Calculations	11,081,131/160,236,984	11,143,502/158,153,954	10,016,125/159,526,718	9,982,031/151,464,656	9,925,582/151,449,151	10,960,802/146,772,305	9,584,344/136,149,964	8,661,874/125,486,317
7									
8	Return on average common equity	7.91%	7.95%	7.00%	7.28%	7.90%	9.27%	8.35%	7.52%
9	Line 4 Calculations	6,759,331/85,419,376	6,790,146/85,360,119	5,926,060/84,645,638	5,977,477/82,113,089	6,188,279/78,287,826	6,829,149/73,695,587	5,860,898/70,155,974	4,825,348/64,149,523
10									
11	<b>Fixed Charge Coverage:</b>								
12	Pre-tax interest cov. (Excl. AFUDC)	3.23	3.23	2.94	2.90	3.11	3.35	3.20	2.75
13	Line 7 Calculations	15,996,708/4,948,249	16,081,631/4,984,176	14,488,432/4,921,376	14,461,666/4,995,077	16,998,557/5,460,262	15,809,046/4,722,859	13,737,531/4,297,913	12,029,783/4,374,050
14									
15	After-tax fixed cov. (Incl. AFUDC)	2.36	2.36	2.20	2.19	2.13	2.44	2.36	2.08
16	Line 8 Calculations	11,728,305/4,968,973	11,795,046/5,004,900	10,868,160/4,942,100	10,993,277/5,015,801	11,669,266/5,480,986	11,572,732/4,743,583	10,179,672/4,318,775	9,180,791/4,394,989
17									
18	<b>Cash Flow Ratios:</b>								
19	Funds flow interest coverage	3.65	3.68	3.53	3.12	2.37	2.78	5.07	2.71
20	Line 11 Calculations	18,080,728/4,948,249	18,320,754/4,984,176	17,384,204/4,921,376	15,604,462/4,995,077	12,937,683/5,460,262	13,113,480/4,722,859	21,808,959/4,297,913	11,864,940/4,374,050
21									
22	Funds flow as a % of average total debt	23.29%	23.92%	22.65%	19.87%	15.07%	16.50%	32.12%	17.62%
23	Line 12 Calculations	18,080,728/77,645,000	18,320,754/(153,190,000/2)	17,384,204/(153,510,000/2)	15,604,462/(157,045,000/2)	12,937,683/(171,705,000/2)	13,113,480/(158,990,000/2)	21,808,959/(135,810,000/2)	11,864,940/(134,675,216/2)
24									
25	Cash coverage of common dividends	2.95	2.15	5.60	3.89	18.97	3.82	7.97	3.91
26	Line 13 Calculations	18,060,004/6,120,000	18,300,030/8,500,000	17,363,480/3,100,000	15,583,738/4,001,000	12,916,959/681,000	13,092,756/3,431,000	21,788,097/2,735,000	11,844,001/3,027,312
27									
28	Net cash coverage as a % of Constr. Exp.	84.76%	93.11%	107.64%	160.21%	109.10%	27.64%	106.87%	52.48%
29	Line 14 Calculations	11,940,004/14,086,124	9,800,030/10,525,525	14,263,460/13,250,549	11,582,738/7,229,825	12,235,959/11,215,911	9,661,756/34,956,045	19,053,097/17,828,800	8,816,689/16,796,591

Proposed Test Year Period: Future  
Period Reported: 2009 - 2012  
Prior Year (2009) 12 Mo. Actual

## Comparison of Prior Forecasts to Actual Data - Prior Three Years

### Supporting Workpaper

Line

1 The 2009 budgets for the Candlewick Water Division are shown on Schedules G-1, pages 2 and 4 (Column I).  
2  
3 2010 Capital Budget: \$99,700  
4  
5 2010 Operating Budget: Schedule C-4, page 3 of 4, column E (latest projection).  
6  
7  
8 2011 Capital Budget: \$178,700  
9  
10 2011 Operating Budget: Schedule C-4, page 3 of 4, column H.  
11  
12  
13 2012 Capital Budget: \$130,700  
14  
15 2012 Operating Budget: Schedule C-4, page 3 of 4, column K.  
16  
17  
18 Budget guidelines used to develop the utility's most recent budget is provided as part of Paul Hanley's direct testimony.  
19 Please see Aqua Illinois, Inc. Exhibit 4.2.

Proposed Test Year Period: Future  
 Period Reported: 2010

### Comparison of Prior Forecasts to Actual Data - Prior Three Years

#### Supporting Workpaper - Original rate jurisdictional

Line	Account # (A)	Account Description (B)	(C)
1	460-474	Total Operating Revenues	\$ 874,009
2	601	Salaries & Wages, Employees	79,727
3	603	Salaries & Wages, Officers	5,006
4	604	Employee Pensions & Benefits	40,617
5	615 & 616	Purchased Power & Fuel for Power Prod.	68,383
6	618	Chemicals	7,226
7	620	Materials & Supplies	5,760
8	631	Contractual Services - Engineering	840
9	632	Contractual Services - Accounting	3,138
10	633	Contractual Services - Legal	-
11	634	Contractual Services - Management	39,480
12	635 & 636	Contractual Services - Other	56,459
13	641 - 642	Lease Expense	7,560
14	650	Transportation Expense	8,391
15	656 - 659	Insurance Expense	9,130
16	666 & 667	Regulatory Commission Exp. Amortization	-
17	670	Bad Debt Expense	18,861
18	675	Miscellaneous Expense	64,831
19		O & M Expenses	415,409
20	403	Depreciation Expenses	163,163
21	406	Amortization of Utility Plant Acquisition Adjust.	-
22	407	Amortization Expense	-
23	408	Taxes Other Than Income	42,061
24	409	Income Taxes - Current Federal	54,700
25	409	Income Taxes - Current State	12,265
26	410	Deferred Federal Income Taxes	-
27	410	Deferred State Income Taxes	-
28	411	Provision for Deferred Income Taxes - Credit	-
29	412	Amortization of I. T. C. - Federal	-
30	412	Amortization of I. T. C. - State	-
31		Utility Operating Expenses	\$ 687,598
32		Utility Operating Income	\$ 186,411
33	414	Gains (Losses) from Disposition of Utility Property (Net)	\$ -
34		Total Utility Operating Income	\$ 186,411
35		<u>Other Income and Deductions:</u>	
36	419	Interest and Dividend Income	-
37	420	Allowance for Funds Used During Construction	107
38	421	Non-Utility Income	-
39	426	Miscellaneous Non-Utility Expenses	(2,172)
40	409	Non-Operating Income Taxes	-
41		Amortization of Pre-1971 I. T. C.	-
42		Total Other Income and Deductions	(2,066)
43		<u>Debt Expense:</u>	
44	427	Interest Expense	79,622
45	428	Amortization of Debt Discount and Expense	2,995
46	429	Amortization of Premium on Debt	683
47		Total Debt Expense	\$ 83,300
48		NET INCOME	\$ 101,046
49			
50		<b>Capital Budget</b>	<b>\$ 147,700</b>

**AQUA ILLINOIS, INC.**  
Candlewick Water Division  
Rate Case Docket No. 11-

Proposed Test Year Period: Future  
Period Reported: 2009

Workpaper WP-G9  
Page 1 of 2  
Person Responsible: P. Hanley

## **Comparison of Budgeted Non-Payroll Expense to Actual**

### **Explanations for percentage differences of 15% or more:**

**Schedule G-9, Page 5 of 6 (TOTAL COMPANY):**

**Employee Pensions & Benefits: 19% -- Pensions costs escalated due to economy.**

**Contractual Services - Engineering: 740% -- Engineering design work on capital projects that are not moving forward.**

**Contractual Services - Legal: (99%) -- Reclassified legal costs for Saller Well project to CWIP.**

**Bad Debt Expense: (16%) -- Improved collection system.**

**Miscellaneous Expense -- Increase Payroll Overheads due to increase in Pension Costs.**

**AQUA ILLINOIS, INC.**  
Candlewick Water Division  
Rate Case Docket No. 11-

Proposed Test Year Period: Future  
Period Reported: 2009

Workpaper  
Page  
Person Responsible:

WP-G9  
2 of 2  
P. Hanley

## **Comparison of Budgeted Non-Payroll Expense to Actual**

### **Explanations for percentage differences of 15% or more:**

**Schedule G-9, Page 6 of 6 (Candlewick Water Division):**

**Purchased Power: (18%) -- Less Pumpage than anticipated**

**Chemicals: 193% -- Increases in Chlorine and Flouride**

**Contractual Services - Accounting: (26%) -- External Audit Savings**

**Transportation Expense: (31%) -- Savings in fuel and vehicle leases**

**Miscellaneous Expense -- Increase Payroll Overheads due to increase in Pension Costs.**

Proposed Test Year Period: Future  
 Period Reported: 2007 - 2009

### Budgeted Payroll Expense

Line		Actual Payroll	Budget Payroll	Variance	Percentage
1	Explanations for percentage differences of 15% or more - N/A.				
2					
3	<u>2007 -</u>				
4					
5	Total Company	\$4,592,663	\$5,012,271	\$ (419,607)	-8.37%
6					
7					
8	Candlewick Water	83,024	111,000	(27,976)	-25.20%
9					
10					
11					
12	<u>2008 -</u>				
13					
14	Total Company	4,832,207	4,812,583	19,624	0.41%
15					
16					
17	Candlewick Water	87,558	109,964	(22,406)	-20.38%
18					
19					
20					
21	<u>2009 -</u>				
22					
23	Total Company	4,674,108	5,012,016	(337,908)	-6.74%
24					
25					
26	Candlewick Water	106,011	114,176	(8,165)	-7.15%

Proposed Test Year Period: Future  
 Period Reported: 2007 - 2009

### Budgeted Payroll Expense - Total Company

Line	Month (A)	Actual 2007 Payroll Exp. By Month (B)	2007 Budget Payroll Exp. By Month (C)	Actual 2008 Payroll Exp. By Month (D)	2008 Budget Payroll Exp. By Month (E)	Actual 2009 Payroll Exp. By Month (F)	2009 Budget Payroll Exp. By Month (G)
1	January	\$ 430,870	\$434,037	\$ 421,406	\$ 408,012	\$ 445,172	\$ 409,680
2							
3	February	379,621	386,253	392,173	377,787	378,359	378,283
4							
5	March	405,002	418,109	337,657	377,787	301,206	409,680
6							
7	April	394,814	408,692	388,081	403,325	401,570	418,385
8							
9	May	375,615	440,996	397,369	403,699	383,873	402,316
10							
11	June	353,045	408,692	417,242	397,600	433,668	436,478
12							
13	July	363,157	424,874	438,193	428,806	428,164	453,375
14							
15	August	377,476	440,996	374,885	397,600	389,346	419,595
16							
17	September	355,563	392,509	416,579	403,699	376,145	420,451
18							
19	October	383,663	440,996	438,431	418,847	371,119	420,451
20							
21	November	394,800	424,874	354,929	372,269	347,711	404,296
22							
23	December	<u>379,038</u>	<u>391,240</u>	<u>455,262</u>	<u>423,150</u>	<u>417,775</u>	<u>439,024</u>
24	SUB-TOTAL:	4,592,663	5,012,271	4,832,207	4,812,583	4,674,108	5,012,016
25							
26							
27							
28	Total Payroll Expense by Month	\$4,592,663	\$5,012,271	\$4,832,207	\$4,812,583	\$4,674,108	\$5,012,016

Proposed Test Year Period: Future  
 Period Reported: 2007 - 2009

**Budgeted Payroll Expense - Candlewick Water Division**

Line	Month (A)	Actual 2007 Payroll Exp. By Month (B)	2007 Budget Payroll Exp. By Month (C)	Actual 2008 Payroll Exp. By Month (D)	2008 Budget Payroll Exp. By Month (E)	Actual 2009 Payroll Exp. By Month (F)	2009 Budget Payroll Exp. By Month (G)
1	January	\$13,871	\$9,996	\$6,964	\$9,316	\$8,008	\$9,140
2							
3	February	7,370	8,878	3,397	8,617	6,571	8,419
4							
5	March	6,813	9,623	5,242	8,617	6,946	9,140
6							
7	April	9,591	8,907	6,333	9,295	9,254	9,443
8							
9	May	6,374	9,617	11,406	9,295	8,195	9,070
10							
11	June	4,379	8,907	8,704	8,931	7,919	10,366
12							
13	July	3,957	9,262	11,037	9,659	9,195	10,781
14							
15	August	5,272	9,617	6,554	8,931	7,646	9,951
16							
17	September	6,120	8,552	7,233	9,295	10,428	9,443
18							
19	October	7,038	9,617	7,312	9,659	7,861	9,443
20							
21	November	4,909	9,262	5,602	8,568	12,240	9,070
22							
23	December	<u>7,330</u>	<u>8,763</u>	<u>7,774</u>	<u>9,783</u>	<u>11,748</u>	<u>9,909</u>
24	SUB-TOTAL:	83,024	111,000	87,558	109,964	106,011	114,176
25							
26							
27							
28	Total Payroll Expense by Month	\$83,024	\$111,000	\$87,558	\$109,964	\$106,011	\$114,176

Proposed Test Year Period: Future  
 Period Reported: 2012

### Budgeted Payroll Expense - Total Company & Candlewick Water Division

Line	Month (A)	Total Company	Candlewick Water Division
		Budgeted 2012 Payroll Exp. By Month (B)	Budgeted 2012 Payroll Exp. By Month (C)
1	January	\$436,008	\$8,331
2			
3	February	416,763	7,970
4			
5	March	466,014	8,916
6			
7	April	437,840	8,467
8			
9	May	446,557	8,626
10			
11	June	461,309	8,721
12			
13	July	438,874	8,304
14			
15	August	475,870	9,081
16			
17	September	459,828	8,852
18			
19	October	435,841	8,409
20			
21	November	445,851	8,623
22			
23	December	<u>452,921</u>	<u>8,743</u>
24	SUB-TOTAL:	5,373,675	103,043
25			
26			
27			
28	Total Payroll Expense by Month	\$5,373,675	\$103,043