

# RECEIVED

Schedule A

Charmar Water Company  
 Balance Sheet  
 September 30, 2010

JUN 29 2011

CHIEF CLERK'S OFFICE  
 Illinois Commerce Commission

LINE NO.	A	B	D
	ASSETS		LIABILITIES AND OTHER CREDITS
1	Plant In Service		Capital Stock and Retained Earnings
2	Water	\$ 549,652	Common Stock and Paid In Capital
3	Sewer	0	Retained Earnings
4			
5	Total	\$ 549,652	Total
6			
7	Accumulated Depreciation-Water	(33,126)	Current and Accrued Liabilities
8	Accumulated Depreciation-Sewer	0	Accounts Payable-Trade
9			Taxes Accrued
10	Total	\$ (33,126)	Customer Deposits
11			Customer Deposits - Interest
12			A/P - Assoc. Companies
13	Net Utility Plant	\$ 516,526	Deferred Revenue
14			
15			Total
16			
17	Plant Acquisition Adjustment-Water	0	Advances In Aid of Construction
18	Plant Acquisition Adjustment-Sewer	0	Water
19			Sewer
20	Total	\$ 0	Total
21			
22			
23	Construction Work In Process-Water	0	Contributions In Aid of Construction
24	Construction Work In Process-Sewer	0	Water
25			Sewer
26	Total	\$ 0	Total
27			
28	Current Assets		Accumulated Deferred Income Tax
29	Cash	2,457	Unamortized ITC
30	Accounts Receivable - Net	(55,909)	Deferred Tax - Federal
31	Other Current Assets	0	Deferred Tax - State
32			
33	Total	\$ (53,452)	Total
34			
35			
36	Deferred Charges	74	TOTAL LIABILITIES AND OTHER CREDITS
37			
38	TOTAL ASSETS	\$ 463,148	



Line No.	A	B Per Books	C Pro Forma Adjustments	D Pro Forma Present	E Proposed Increase	F Pro Forma Proposed
1	<u>Operating Revenues</u>					
2	Service Revenues - Water	24,190	604 [a]	24,794	110,247 [n]	135,040
3	Service Revenues - Sewer	-		-		-
4	Miscellaneous Revenues	264		264	50 [n]	314
5	Uncollectible Accounts	(513)		(513)	(2,281) [b]	(2,794)
6						
7	Total Operating Revenues	23,941	604	24,545	108,015	132,560
8						
9	<u>Maintenance Expenses</u>					
10	Salaries and Wages	3,110	(231) [c]	2,879	-	2,879
11	Purchased Power	-	- [j]	-	-	-
12	Purchased Water	(40)	40 [l]	-	-	-
13	Maintenance and Repair	417	25 [j]	442	-	442
14	Maintenance Testing	413	17 [j][k]	430	-	430
15	Meter Reading	(0)	(0) [j]	(0)	-	(0)
16	Chemicals	(25)	25	-	-	-
17	Transportation	409	(106) [j][m]	302	-	302
18	Operating Exp. Cap time Charged to Plant	(4,921)	3,578 [c]	(1,342)	-	(1,342)
19	Outside Services - Other	15,600	(3,868) [j][q]	11,733	-	11,733
20	Expense Allocation adj to maint exp	-		-	-	-
21						
22	Total	14,963	(519)	14,444	-	14,444
23						
24	<u>General Expenses</u>					
25	Salaries and Wages	1,242	(149) [c]	1,093	-	1,093
26	Office Supplies & Other Office Exp.	811	48 [j]	859	-	859
27	Regulatory Commission Exp.	3,582	37,383 [d]	40,965	-	40,965
28	Pension & Other Benefits	885	77 [c]	963	-	963
29	Rent	28	2 [j]	30	-	30
30	Insurance	424	-	424	-	424
31	Office Utilities	3,700	220 [j]	3,920	-	3,920
32	Miscellaneous	1,669	99 [j]	1,769	-	1,769
33	Expense Allocation adj	-	70 [o]	70	-	70
34						
35	Total	12,343	37,750	50,093	-	50,093
36						
37	Depreciation	8,509	18,208 [e]	26,717	-	26,717
38	Amortization of PAA	-	- [e]	-	-	-
39	Taxes Other Than Income	1,015	21 [f]	1,036	110 [f]	1,146
40	Income Taxes - Federal	(10,714)	(13,491) [g]	(24,205)	33,202 [g]	8,997
41	Income Taxes - State	(2,481)	(4,992) [g]	(7,473)	10,251 [g]	2,778
42	Amortization of ITC	(72)	- [e]	(72)	-	(72)
43	Amortization of CIAC	(45)	(37) [e]	(82)	-	(82)
44	Expense Allocation adj to other exp	-		-	-	-
45						
46	Total	(3,788)	(291)	(4,080)	43,564	39,484
47						
48	Total Operating Expenses	23,517	36,939	60,456	43,564	104,020
49						
50	<u>Net Operating Income</u>	424	(36,336)	(35,911)	64,452	28,540
51						
52	Other Income	(0)	-	(0)	-	(0)
53	Interest During Construction	-	- [h]	-	-	-
54	Interest on Debt	19,207	(8,204) [i]	11,003	-	11,003
55						
56	Net Income	(18,783)	(28,132)	(46,915)	64,452	17,537

- [a] Revenues are annualized at proposed rates using 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 based on the most current information available.
- [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 Expenses 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 9.5% state)
- [h] AFUDC is eliminated for rate making purposes.
- [i] w/p [h] - Interest on Debt has been computed using a 50.11% / 49.89% debt-to-equity ratio and a 6.6% cost of debt.
- [j] w/p [n] - A consumer price index increase of 5.95% has been included in this filing.
- [k] Remove \$7.50 sewer testing expense erroneously booked.
- [l] To remove per books net purchased water amount.
- [m] w/p [p-2a] - To adjust transportation expense based on operators' allocation.
- [n] Proposed revenue increase derived from Sch.D&E.
- [o] w/p [p] - adjust allocations 9/30/2010 allocation factors.
- [p] To remove per books chemical expense.
- [q] To remove per book prior period adjustments from engineering expense.

Charmar Water Company  
Water Operations  
Rate Base and Rate of Return  
Test Year Ended September 30, 2010

Line No.	A	B	C	D	E	F
	Per Books	Pro Forma Adjustments		As Adjusted	Proposed Increase	Effect of Proposed Increase
1	Net Operating Income	424	(36,336)	(35,911)	64,452	28,540
2						
3	Gross Plant In Service	549,652	(178,908) [d]	370,744	-	370,744
4	Accumulated Depreciation	(33,126)	19,900 [c]	(13,226)	-	(13,226)
5	Net Plant In Service	516,526	(159,008)	357,518	-	357,518
6	Cash Working Capital	3,540	4,656 [a]	8,196	-	8,196
7	Contributions In Aid of Construction	(1,458)	622 [f]	(836)	-	(836)
8	Advances in Aid of Construction	-	-	-	-	-
9	Accumulated Deferred Income Taxes	(32,310)	-	(32,310)	-	(32,310)
10	Customer Deposits	0	-	0	-	0
11	Adjustment to Rate Base Allocations	-	108 [h]	108	-	108
12	Deferred charges	74	(74) [e]	-	-	0
14						
15	Total Rate Base	486,371	(153,695)	332,676	-	332,676
16						
17						
18	Return on Rate Base	0.09%		-10.79%		8.58%

- [a] w/p [i] - Working Capital is calculated based on pro forma expenses.
- [b] Intentionally left blank
- [c] w/p [appendix] - Accumulated depreciation is adjusted for planned additional capital investments and retirements.
- [d] w/p [appendix] - Plant adjustments.
- [e] Remove per books Deferred Charges from rate base.
- [f] w/p [s] - Adjust CIAC.
- [g] Intentionally left blank
- [h] w/p [p] - adjust allocations 9/30/2010 allocation factors.

Charmar Water Company  
 Test Year / Present Revenues

Schedule D

A B C D E F G

**WATER**

Line	Meter Size	Gallonage	Usage Charge	Units	BFC	Revenues
1	<u>All Subs:</u>					
2	5/8" Res.	2,185,200	\$ 8.35	612	\$ 10.25	\$ 24,519
3	3/4" Res.	18,130	\$ 8.35	12	\$ 10.25	\$ 274
4		-	\$ -	-	\$ -	\$ -
5						
6		<u>2,203,330</u>		<u>624</u>		<u>\$ 24,794</u>

Charmar Water Company  
Proposed Revenues

Schedule E

	A	B	C	D	E	F	G
	<b>WATER</b>						
Line	Meter Size	Gallonage	Usage Charge	Units	BFC	Revenues	
1	<u>All Subs:</u>						
2	5/8" Res.	2,185,200	\$43.17	612	\$ 63.98	\$ 133,490	
3	3/4" Res.	18,130	\$43.17	12	\$ 63.98	\$ 1,550	
4		-	\$ -	-	\$ -	\$ -	
5							
6		2,203,330		624		\$ 135,040	
7						-	
8							
9	<u>Miscellaneous Charges</u>		<u>Current Charge</u>	<u>Units</u>	<u>Proposed Charge</u>	<u>Additional Revenues</u>	
10	NSF Charge		\$10.00	1	\$ 25.00	\$ 15	
11	New Customer Charge		\$15.00	-	\$ 25.00	\$ -	
12	Reconnect Charge		\$20.00	2	\$ 37.50	\$ 35	
13						\$ 50	

PUBLIC NOTICE

Notice of Proposed Changes  
in Rates  
To Patrons of Charmar Water Company

CHARMAR WATER COMPANY hereby gives notice to the public that it has filed with the Illinois Commerce Commission a proposed change in rates and its rules and regulations for water service in its service territory in the Charmar Subdivision and that said changes involve an increase to the current base facility charges and commodity charge. The Company is also proposing new or increased charges for NSF checks, reconnection, after hours call out and the new customer charge.

A copy of the proposed change in schedule may be inspected by any interested party at the offices of the Company located at 2335 Sanders Road, Northbrook, Illinois 60062.

Customers should be advised that the Commission may alter or amend the rates or conditions of service after hearings held pursuant to 83 Ill. Adm. Code 200 and may increase or decrease individual rate in amounts other than those requested by the company.

All parties interested in this matter may obtain information with respect thereto either directly from this Company or by addressing the Secretary of the Illinois Commerce Commission at 527 East Capitol Avenue, Springfield, Illinois 62706.

Charmar Water Company

By: Steven M. Lubertozi  
Executive Director of Regulatory Accounting & Affairs



NOTICE TO CHARMAR CUSTOMERS

Charmar Water Company ("Charmar") hereby gives notice to the public that it has filed with the Illinois Commerce Commission ("ICC") a proposed change in the rates schedules for water services. The table below shows the present water rates, which have been in effect since 2004 compared with proposed water rates.

**BACKGROUND**

Charmar customers last experienced a rate increase in 2004 and those rates were based on costs from 9 years ago. Charmar has also experienced increased costs in order to comply with stringent environmental and regulatory requirements.

Charmar understands that no one likes rate increases, certainly in difficult economic times. However, the rate increase is necessary to cover current operating expenses, which includes but is not limited to fuel, property taxes, income taxes, and operators' salaries, and some of these costs have increased since the last rate increase. Since 2002, Charmar made capital investments necessary to provide safe and reliable service to our customers, including but not limited to the following:

- Interconnecting with the City of Waukegan

**RATE REQUEST**

Charmar is requesting an overall revenue increase of \$110,000 per year. The following is an example of the proposed change for a typical customer's monthly bill:

	<u>Present Rates</u>	<u>Proposed Rates</u>
Base Charge 5/8"	\$ 10.25 per month	\$ 63.98 per month
Usage Charge	\$ 8.35 per 1,000 gal	\$ 43.17 per 1,000 gal

Assuming an average water residential monthly consumption of 3,500 gallons, the monthly charge for residential water service will increase from \$61.95 to \$237.54. The average monthly charge includes the surcharge which is determined by the Commission separately in annual reconciliation proceedings. The Company is also proposing new or increased charges for NSF checks, reconnection, after hours call out and the new customer charge.

Customers should be advised that the ICC may alter or amend the rates or conditions of service after hearings held pursuant to 83 Illinois Administrative Code Part 200 and may increase or decrease individual rates in amounts other than those requested by the Company. An interested party may file a petition to intervene in the hearings pursuant to 83 Ill. Admin. Code Part 200.

A copy of the proposed change in rate schedules may be inspected by any interested party at the business office of the Company at 2335 Sanders Road, Northbrook, Illinois 60062. All parties interested in the matter may obtain information with respect to thereto either directly from Charmar Water Company or by addressing the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701. In addition, customers have a right to request a public forum. Pursuant to 8-306(n) of the Illinois Public Utilities Act, a customer or group of customers must make written request to the Commission for a public forum and must also provide written notification of the request to the customer's municipal or, for unincorporated areas, township government.

We welcome your comments and should you have any questions, please feel free to contact us at 800-831-2359.



Charmar Water Company  
 Phone: (800) 831-2359  
 Collections: (800) 831-2359  
 Customer Service: (800) 831-2359  
 www.uewater.com

<b>Bill Date</b> 05/31/2011	<b>Account Number</b> [REDACTED]	<b>Due Date</b> 6/21/2011	<b>Please Pay:</b> \$ 152.63
--------------------------------	-------------------------------------	------------------------------	---------------------------------

Name [REDACTED] Primary Telephone # [REDACTED]

Service Address [REDACTED]

**Activity Since Last Bill**

Previous Balance	\$158.99
Payments received as of 05/31/2011	\$-158.99
Balance as of 05/31/2011	\$0.00

**Adjustments**

Late Payment Charge	\$2.38
---------------------	--------

**Residential Water Service**

Residential Water Base Charge	\$3.42
1,318 gallons at \$8.35 per 1,000 Gallons	\$11.01
City of Waukegan Surcharge 1,318 gallons at \$9.82 per 1,000 gallons	\$12.94
<b>Total Residential Water Service</b>	<b>\$27.37</b>

**Residential Water Service**

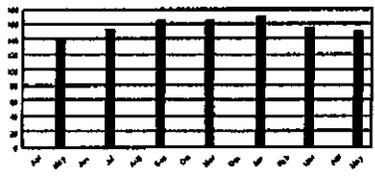
Residential Water Base Charge	\$17.08
6,592 gallons at \$8.35 per 1,000 Gallons	\$55.04
City of Waukegan Surcharge 6,592 gallons at \$7.70 per 1,000 gallons	\$50.76
<b>Total Residential Water Service</b>	<b>\$122.88</b>

**Total Amount Due \$152.63**

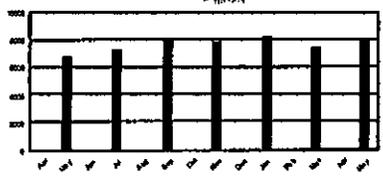
**Summary of Service**

<b>Meter Reading</b>	<b>Meter #</b> 5971288
Current	96490 05/20/2011
Previous	88580 03/21/2011
Usage	7,910 Units
Number of Days:	60
Average Daily Use:	132 Gallons
Average Daily Cost:	\$ 2.50

**Billing History**



**Consumption History**



A fee of 1.5% per month will be added if unpaid by the due date.  
 Make check payable to: Charmar Water Company

**Messages**

Customers may request information concerning the service obligations of water and sewer utilities by calling the ICC at 1-800-524-0795 or at the following ICC web site address - <http://www.icc.illinois.gov/downloads/public/en/061114wsBillRights.doc>. Paperless billing is now available. Please visit our Web Self Service site where you can obtain account information and register for paperless billing. The site may be accessed by going to <http://www.uewater.com/myaccount>.

061



PO BOX 160609  
 Altamonte Springs, FL 32716



Account Number: [REDACTED] Amount Paid: [REDACTED]  
 Due Date: 6/21/2011  
 Please Pay: \$ 152.63



Charmar Water Company  
 PO Box 11025  
 Lewiston ME 04243-9476

Address correction requested on back

061