

RECEIVEDCherry Hill Water Company
Balance Sheet
September 30, 2010

A

JUN 29 2011

B

CHIEF CLERK'S OFFICE
Illinois Commerce Commission

C

D

<u>LINE NO.</u>	<u>ASSETS</u>		<u>LIABILITIES AND OTHER CREDITS</u>	
1	Plant In Service		Capital Stock and Retained Earnings	
2	Water	\$ 420,684		
3	Sewer	0	Common Stock and Paid In Capital	\$ 160,496
4			Retained Earnings	160,898
5	Total	\$ 420,684	Total	\$ 321,394
6				
7	Accumulated Depreciation-Water	(57,929)	Current and Accrued Liabilities	
8	Accumulated Depreciation-Sewer	0	Accounts Payable-Trade	2,527
9			Taxes Accrued	9,407
10	Total	\$ (57,929)	Customer Deposits	0
11			Customer Deposits - Interest	0
12			A/P - Assoc. Companies	(44,030)
13	Net Utility Plant	\$ 362,755	Deferred Revenue	0
14			Total	\$ (32,096)
15				
16			Advances In Aid of Construction	
17	Plant Acquisition Adjustment-Water	0	Water	0
18	Plant Acquisition Adjustment-Sewer	0	Sewer	0
19			Total	\$ 0
20	Total	\$ 0		
21			Contributions In Aid of Construction	
22			Water	2,638
23	Construction Work In Process-Water	0	Sewer	0
24	Construction Work In Process-Sewer	0	Total	\$ 2,638
25				
26	Total	\$ 0	Accumulated Deferred Income Tax	
27			Unamortized ITC	0
28	Current Assets		Deferred Tax - Federal	12,840
29	Cash	0	Deferred Tax - State	9,583
30	Accounts Receivable - Net	(48,485)	Total	\$ 22,423
31	Other Current Assets	0		
32			TOTAL LIABILITIES AND OTHER CREDITS	\$ 314,359
33	Total	\$ (48,485)		
34				
35				
36	Deferred Charges	89		
37				
38	TOTAL ASSETS	\$ 314,359		



Line No.	A	B	C	D	E	F
		Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
1	<u>Operating Revenues</u>					
2	Service Revenues - Water	83,754	1,257 [a]	85,011	109,111 [n]	194,122
3	Service Revenues - Sewer	-		-		-
4	Miscellaneous Revenues	517		517	90 [n]	607
5	Uncollectible Accounts	(304)		(304)	(391) [b]	(695)
6						
7	Total Operating Revenues	83,966	1,257	85,224	108,811	194,034
8						
9	<u>Maintenance Expenses</u>					
10	Salaries and Wages	18,315	1,102 [c]	19,417	-	19,417
11	Purchased Power	4,587	257 [j]	4,844	-	4,844
12	Purchased Water	-	-	-	-	-
13	Maintenance and Repair	5,761	323 [j]	6,084	-	6,084
14	Maintenance Testing	(6)	(0) [j]	(6)	-	(6)
15	Meter Reading	423	24 [j]	447	-	447
16	Chemicals	2,168	121 [j]	2,290	-	2,290
17	Transportation	1,991	(162) [j][m]	1,830	-	1,830
18	Operating Exp. Cap time Charged to Plant	(6,467)	(2,103) [c]	(8,571)	-	(8,571)
19	Outside Services - Other	2,046	115 [j]	2,161	-	2,161
20						
21						
22	Total	28,819	(323)	28,496	-	28,496
23						
24	<u>General Expenses</u>					
25	Salaries and Wages	6,062	(728) [c]	5,333	-	5,333
26	Office Supplies & Other Office Exp.	3,139	176 [j]	3,315	-	3,315
27	Regulatory Commission Exp.	(185)	40,344 [d]	40,160	-	40,160
28	Pension & Other Benefits	4,313	1,363 [c]	5,676	-	5,676
29	Rent	139	8 [j]	147	-	147
30	Insurance	2,065	-	2,065	-	2,065
31	Office Utilities	1,470	82 [j]	1,552	-	1,552
32	Miscellaneous	733		733	-	733
33	Expense Allocation adj	-	351 [o]	351	-	351
34						
35	Total	17,736	41,596	59,332	-	59,332
36						
37	Depreciation	9,437	24,535 [e]	33,971		33,971
38	Amortization of PAA	-	- [e]	-		-
39	Taxes Other Than Income	10,691	597 [f]	11,288	109 [f]	11,397
40	Income Taxes - Federal	7,816	(27,631) [g]	(19,815)	33,448 [g]	13,633
41	Income Taxes - State	1,811	(7,929) [g]	(6,118)	10,327 [g]	4,209
42	Amortization of ITC	(179)	- [e]	(179)	-	(179)
43	Amortization of CIAC	(85)	(96) [e]	(181)	-	(181)
44						
45						
46	Total	29,490	(10,523)	18,967	43,883	62,850
47						
48	Total Operating Expenses	76,045	30,750	106,795	43,883	150,679
49						
50	<u>Net Operating Income</u>	7,921	(29,493)	(21,572)	64,928	43,356
51						
52	Other Income	(0)	-	(0)	-	(0)
53	Interest During Construction	-	- [h]	-	-	-
54	Interest on Debt	13,174	3,539 [i]	16,713	-	16,713
55						
56	Net Income	(5,252)	(33,032)	(38,284)	64,928	26,644

- [a] Revenues are annualized at proposed rates using the 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 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 5.6% has been included in this filing.
- [k] Intentionally left blank
- [l] Intentionally left blank
- [m] 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.

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

	A	B	C	D	E	F
Line No.		Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
1	Net Operating Income	7,921	(29,493)	(21,572)	64,928	43,356
2						
3	Gross Plant In Service	420,684	(612) [d]	420,072	-	420,072
4	Accumulated Depreciation	(57,929)	(24,789) [c]	(82,718)	-	(82,718)
5	Net Plant In Service	362,755	(25,401)	337,354	-	337,354
6	Cash Working Capital	7,156	5,233 [a]	12,389	-	12,389
7	Contributions In Aid of Construction	(2,638)	96	(2,543)	-	(2,543)
8	Advances in Aid of Construction	-	-	-	-	-
9	Accumulated Deferred Income Taxes	(22,423)	-	(22,423)	-	(22,423)
10	Customer Deposits	0	-	0	-	0
11	Adjustment to Rate Base Allocations		527 [h]	527	-	527
12	Adjustments from prior rate cases	-	-	-	-	0
13	Deferred charges	89	(89) [i]	(0)	-	(0)
14	Net Pro Forma Plant	-	180,000 [b]	180,000	-	180,000
15						
16	Total Rate Base	344,939	160,365	505,305	-	505,305
17						
18						
19	Return on Rate Base	2.30%		-4.27%		8.6%

Cherry Hill Water Company
Explanations of Adjustments to Rate Base
Test Year Ended September 30, 2010

Schedule C
Page 2 of 2

- [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 and retirements.
- [d] w/p [appendix] - Plant adjustments.
- [e] Intentionally left blank
- [f] Intentionally left blank
- [g] Intentionally left blank
- [h] w/p [p] - adjust allocations 9/30/2010 allocation factors.
- [i] To remove per book deferred charges from rate base.

Cherry Hill Water Company
 Test Year / Present Revenues

Schedule D

Line No.	A WATER	B Meter Size	C Gallonage	D Usage Charge	E Stated Quarterly Units	F BFC	G Revenues
1	<u>All Subs:</u>						
2		1" Res.	41,300	\$ 4.51	4	\$ 27.57	\$ 297
3		2" Res.	1,720,300	\$ 4.51	4	\$ 54.69	\$ 7,977
4		5/8" Res.	12,919,626	\$ 4.51	968	\$ 19.08	\$ 76,737
5							
6			<u>14,681,226</u>		<u>976</u>		<u>\$ 85,011</u>



NOTICE TO CHERRY HILL CUSTOMERS

Cherry Hill Water Company ("CHWC") 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

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

CHWC 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 chemicals, fuel, power, property taxes, income taxes, and operators' salaries, and some of these costs have increased since the last rate increase. Since 2002, CHWC made capital investments necessary to provide safe and reliable service to our customers, including but not limited to the following:

- Upgrades to the security fence surrounding the elevated storage tank,
- Engineering Study for tower rehabilitation work,
- Well rehabilitation, and
- Over coating the elevated tank on the barrel section to cover graffiti.
- In addition, the water tower is scheduled to be painted during 2012. The estimated amount of this project is \$180,000.

RATE REQUEST

CHWC is requesting an overall revenue increase of \$109,111 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"	\$ 6.36 per month	\$ 14.52 per month
Usage Charge	\$ 4.51 per 1,000 gal	\$ 10.30 per 1,000 gal

Assuming an average water residential monthly consumption of 4,449 gallons, the monthly charge for residential water service will increase from \$26.42 to \$60.34. 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 Cherry Hill 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.

PUBLIC NOTICE

Notice of Proposed Changes
in Rates
To Patrons of Cherry Hill Water Company

CHERRY HILL 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 Cherry Hill area 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.

Cherry Hill Water Company

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



Cherry Hill Water Company
 Phone: (800) 831-2359
 Collections: (800) 831-2359
 Customer Service: (800) 831-2359
 www.uiwater.com

Bill Date 03/31/2011	Account Number [REDACTED]	Due Date 4/21/2011	Please Pay: \$ 10.76
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Name [REDACTED] Primary Telephone # [REDACTED]
 Service Address [REDACTED]

Activity Since Last Bill

Previous Balance	\$73.92
Payments received as of 03/31/2011	\$-147.84
Balance as of 03/31/2011	\$-73.92

Adjustments

Late Payment Charge	\$1.11
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Residential Water Service

Residential Water Base Charge	\$19.08
14,300 gallons at \$4.51 per 1,000 Gallons	\$64.49
Total Residential Water Service	\$83.57

Total Amount Due \$10.76

Summary of Service

Meter Reading	Meter # 16094680
Current	915700 03/25/2011
Previous	901400 12/30/2010
Usage	14,300 Gallons
Number of Days:	85
Average Daily Use:	168 Gallons
Average Daily Cost:	\$ 0.98

Billing History



Consumption History



A fee of 1.5% per month will be added if unpaid by the due date.
 Make check payable to: Cherry Hill 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/061114wsBillofRights.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.uiwater.com/myaccount>.

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PO BOX 160609
 Altamonte Springs, FL 32716



Account Number: [REDACTED] Amount Paid
 Due Date: 4/21/2011
 Please Pay: \$ 10.76



Cherry Hill Water Company
 PO Box 11025
 Lewiston ME 04243-9476

Address correction requested on back

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