

Average Base Consumption (gallons per customer per day) Using Different Averages
Data Available: January 2003 through April 2011

Service Area: Chicago

	4-month average				6 month avg		Days
	2003-2010 (IAWC)	2003-2011	2004-2011	2004-2010	2004-2011	2004-2010	
Slope →	-0.0086346	-0.0086289	-0.007687	-0.0073808	-0.0077229	-0.00754	
Intercept →	541.33335	541.11347	503.72869	491.87322	505.50357	498.41945	
Oct-12	185.73	185.75	187.15	187.91	187.45	187.90	31
Nov-12	185.47	185.48	186.92	187.68	187.21	187.67	30
Dec-12	185.21	185.22	186.68	187.46	186.98	187.44	31
Jan-13	184.94	184.96	186.45	187.23	186.74	187.21	31
Feb-13	184.67	184.69	186.21	187.00	186.50	186.97	28
Mar-13	184.43	184.45	185.99	186.79	186.28	186.76	31
Apr-13	184.16	184.18	185.75	186.57	186.04	186.53	30
May-13	183.90	183.92	185.52	186.34	185.81	186.30	31
Jun-13	183.64	183.65	185.29	186.11	185.57	186.07	30
Jul-13	183.38	183.39	185.06	185.89	185.34	185.84	31
Aug-13	183.11	183.13	184.82	185.66	185.10	185.61	31
Sep-13	182.84	182.86	184.58	185.44	184.86	185.37	30
Annual Base Consumption	67,265.58	67,271.58	67,841.72	68,135.93	67,947.58	68,123.39	
Difference from IAWC		0.0%	0.9%	1.3%	1.0%	1.3%	

**AG Proposed Adjustment to Pro Forma Revenues Under Present Rates
to Use Projected Level of Sales and Customers for Year Ending 9/30/2012**

Rate Area	IAWC (TME 9/30/13)	AG (TME 9/30/12)	Difference
Zone 1	\$ 154,115,985	\$ 155,835,271	\$ 1,719,286
Chicago	31,480,654	31,949,463	468,809
Lincoln	3,576,762	3,627,040	50,278
Pekin	7,186,971	7,250,986	64,015
Total	\$ 196,360,372	\$ 198,662,760	\$ 2,302,388

Effect of IAWC Proposed Sales and Customer Adjustments on Pro Forma Revenues Under Present Rates for Zone 1

Customer Class	Using Actual TME 9/30/11	Using Projected TME 9/30/12	Using Projected TME 9/30/13
Residential	\$ 87,937,015	\$ 86,266,894	\$ 85,046,453
Commercial	25,061,096	24,656,992	24,017,084
Large Commercial	-	-	-
Industrial	6,446,952	5,347,615	5,346,919
Large Industrial	4,564,848	4,213,971	4,896,082
Competitive Industrial	936,045	996,018	996,018
O.P.A.	5,158,581	4,702,942	4,533,824
Large O.P.A.	2,181,597	2,416,754	2,416,754
O.W.U.	9,840,722	10,211,571	9,973,392
Large O.W.U.	5,692,708	5,366,824	5,233,769
Private Fire Service	1,797,149	1,798,094	1,798,094
Public Fire Service	9,857,596	9,857,596	9,857,596
Total Revenues from Sales	\$ 159,474,309	\$ 155,835,271	\$ 154,115,985

Effect of IAWC Proposed Sales and Customer Adjustments on Pro Forma Revenues Under Present Rates for Chicago Metro Water

Customer Class	Using Actual TME 9/30/11	Using Projected TME 9/30/12	Using Projected TME 9/30/13
Residential	\$ 22,402,944	\$ 22,320,510	\$ 21,907,993
Commercial	3,451,181	3,509,677	3,481,392
Large Commercial	243,082	320,605	320,605
Industrial	2,561	89,570	89,570
Large Industrial	71,139		-
Competitive Industrial			-
O.P.A.	364,871	413,254	388,384
Large O.P.A.			-
O.W.U.			-
Large O.W.U.	148,732	132,560	129,423
Private Fire Service	771,183	774,000	774,000
Public Fire Service	4,389,287	4,389,287	4,389,287
Total Revenues from Sales	\$ 31,844,980	\$ 31,949,463	\$ 31,480,654

Effect of IAWC Proposed Sales and Customer Adjustments on Pro Forma Revenues Under Present Rates for Lincoln

Customer Class	Using Actual TME 9/30/11	Using Projected TME 9/30/12	Using Projected TME 9/30/13
Residential	\$ 1,885,341	\$ 1,885,403	\$ 1,869,601
Commercial	687,896	706,258	707,648
Large Commercial			-
Industrial	213,661	197,558	197,558
Large Industrial			-
Competitive Industrial			-
O.P.A.	501,218	461,792	425,926
Large O.P.A.			-
O.W.U.			-
Large O.W.U.			-
Private Fire Service	45,848	45,692	45,692
Public Fire Service	330,337	330,337	330,337
Total Revenues from Sales	\$ 3,664,301	\$ 3,627,040	\$ 3,576,762

Effect of IAWC Proposed Sales and Customer Adjustments on Pro Forma Revenues Under Present Rates for Pekin

Customer Class	Using Actual TME 9/30/11	Using Projected TME 9/30/12	Using Projected TME 9/30/13
Residential	\$ 4,325,653	\$ 4,336,191	\$ 4,286,127
Commercial	719,229	703,216	688,772
Large Commercial			-
Industrial	837,573	816,397	816,397
Large Industrial			-
Competitive Industrial			-
O.P.A.	328,033	426,701	427,194
Large O.P.A.			-
O.W.U.	269		-
Large O.W.U.			-
Private Fire Service	104,849	104,872	104,872
Public Fire Service	863,609	863,609	863,609
Total Revenues from Sales	\$ 7,179,215	\$ 7,250,986	\$ 7,186,971

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2011**

Rate Area: Zone 1

All Customer Classifications								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	14,699,874	\$ 87,937,015	54.36%	\$ 106,324,205	54.55%	\$ 18,387,190	20.91%
2	Commercial	6,514,750	25,061,096	15.49%	30,939,206	15.87%	5,878,110	23.46%
3	Large Commercial	-	-	0.00%	-	0.00%	-	0.00%
4	Industrial	2,502,806	6,446,952	3.98%	8,567,100	4.40%	2,120,148	32.89%
5	Large Industrial	2,459,009	4,564,848	2.82%	5,240,044	2.69%	675,196	14.79%
6	Competitive Industrial	878,620	936,045	0.58%	941,436	0.48%	5,391	0.58%
7	O.P.A.	1,547,737	5,158,581	3.19%	6,608,454	3.39%	1,449,873	28.11%
8	Large O.P.A.	1,310,135	2,181,597	1.35%	2,758,246	1.42%	576,649	26.43%
9	O.W.U.	4,338,793	9,840,722	6.08%	13,155,923	6.75%	3,315,201	33.69%
10	Large O.W.U.	3,422,183	5,692,708	3.52%	5,701,852	2.93%	9,144	0.03%
11	Other Water Sales	730	2,404	0.00%	2,965	0.00%	561	0.00%
12	Private Fire Service	-	1,797,149	1.11%	2,471,241	1.27%	674,092	37.51%
13	Public Fire Service	-	9,857,596	6.09%	9,893,239	5.08%	35,643	0.36%
14	Total Water Sales	<u>37,674,637</u>	159,476,713	98.58%	192,603,911	98.82%	33,127,198	20.77%
15	Other Operating Revenues		<u>2,305,117</u>	<u>1.42%</u>	<u>2,305,117</u>	<u>1.18%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 161,781,830</u>	<u>100.00%</u>	<u>\$ 194,909,027</u>	<u>100.00%</u>	<u>\$33,127,198</u>	<u>20.48%</u>

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2011**

Rate Area: Chicago Metro

All Customer Classifications								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	4,390,139	\$ 22,402,944	68.54%	\$ 23,487,578	68.71%	\$ 1,084,634	4.84%
2	Commercial	980,492	3,451,181	10.56%	3,696,269	10.81%	245,088	7.10%
3	Large Commercial	135,016	243,082	0.74%	234,375	0.69%	(8,707)	-3.58%
4	Industrial	269	2,561	0.01%	3,627	0.01%	1,066	41.62%
5	Large Industrial	35,437	71,139	0.22%	62,795	0.18%	(8,344)	-11.73%
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	97,235	364,871	1.12%	406,663	1.19%	41,792	11.45%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	-	-	0.00%	-	0.00%	-	N/A
10	Large O.W.U.	71,353	148,732	0.46%	135,651	0.40%	(13,081)	-8.80%
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	771,183	2.36%	922,915	2.70%	151,732	19.68%
13	Public Fire Service	-	4,389,287	13.43%	4,389,287	12.84%	-	0.00%
14	Total Water Sales	<u>5,709,942</u>	31,844,980	97.44%	33,339,160	97.53%	1,494,180	4.69%
15	Other Operating Revenues		<u>842,064</u>	<u>2.56%</u>	<u>842,064</u>	<u>2.47%</u>	-	0.00%
16	Total Operating Revenues		<u>\$ 32,687,044</u>	<u>100.00%</u>	<u>\$ 34,181,224</u>	<u>100.00%</u>	<u>\$ 1,494,180</u>	<u>4.57%</u>

Future Test Year Revenues at Current and Proposed Rates
Period Reported: 12 Months Ending September 30, 2011

Rate Area: Lincoln

<u>All Customer Classifications</u>								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	355,147	\$ 1,885,341	50.73%	\$ 2,223,777	46.25%	\$ 338,436	17.95%
2	Commercial	185,987	687,896	18.51%	859,514	17.87%	171,618	24.95%
3	Large Commercial	-	-	0.00%	-	0.00%	-	N/A
4	Industrial	106,421	213,661	5.75%	313,803	6.53%	100,142	46.87%
5	Large Industrial	-	-	0.00%	-	0.00%	-	N/A
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	251,326	501,218	13.49%	791,594	16.46%	290,376	57.93%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	-	-	0.00%	-	0.00%	-	N/A
10	Large O.W.U.	-	-	0.00%	-	0.00%	-	N/A
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	45,848	1.23%	59,591	1.24%	13,743	29.98%
13	Public Fire Service	-	330,337	8.89%	507,941	10.56%	177,605	53.76%
14	Total Water Sales	<u>898,881</u>	3,664,301	98.60%	4,756,220	98.91%	1,091,920	29.80%
15	Other Operating Revenues		<u>52,290</u>	<u>1.40%</u>	<u>52,290</u>	<u>1.09%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 3,716,591</u>	<u>100.00%</u>	<u>\$ 4,808,510</u>	<u>100.00%</u>	<u>\$ 1,091,920</u>	<u>29.38%</u>

Future Test Year Revenues at Current and Proposed Rates
Period Reported: 12 Months Ending September 30, 2011

Rate Area: Pekin

<u>All Customer Classifications</u>								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	989,241	\$ 4,325,653	59.21%	\$ 5,234,510	58.40%	\$ 908,857	21.01%
2	Commercial	301,806	719,229	9.85%	900,529	10.05%	181,300	25.21%
3	Large Commercial	-	-	0.00%	-	0.00%	-	N/A
4	Industrial	1,099,247	837,573	11.47%	1,163,396	12.98%	325,823	38.90%
5	Large Industrial	-	-	0.00%	-	0.00%	-	N/A
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	226,266	328,033	4.49%	427,429	4.77%	99,396	30.30%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	160	269	0.00%	342	0.00%	73	27.14%
10	Large O.W.U.	-	-	0.00%	-	0.00%	-	N/A
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	104,849	1.44%	129,032	1.44%	24,183	23.06%
13	Public Fire Service	-	863,609	11.82%	982,388	10.96%	118,779	13.75%
14	Total Water Sales	<u>2,616,720</u>	7,179,215	98.28%	8,837,626	98.60%	1,658,411	23.10%
15	Other Operating Revenues		<u>125,843</u>	<u>1.72%</u>	<u>125,843</u>	<u>1.40%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 7,305,058</u>	<u>100.00%</u>	<u>\$ 8,963,469</u>	<u>100.00%</u>	<u>\$ 1,658,411</u>	<u>22.70%</u>

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2012**

Rate Area: Zone 1

All Customer Classifications								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	14,335,164	\$ 86,266,894	54.55%	\$ 104,322,042	54.75%	\$ 18,055,148	20.93%
2	Commercial	6,408,164	24,656,992	15.59%	30,465,905	15.99%	5,808,913	23.56%
3	Large Commercial	-	-	0.00%	-	0.00%	-	0.00%
4	Industrial	2,028,735	5,347,615	3.38%	7,088,153	3.72%	1,740,538	32.55%
5	Large Industrial	2,249,738	4,213,971	2.66%	4,851,955	2.55%	637,984	15.14%
6	Competitive Industrial	936,489	996,018	0.63%	1,001,359	0.53%	5,341	0.54%
7	O.P.A.	1,421,643	4,702,942	2.97%	6,042,136	3.17%	1,339,194	28.48%
8	Large O.P.A.	1,453,442	2,416,754	1.53%	3,054,852	1.60%	638,098	26.40%
9	O.W.U.	4,501,227	10,211,571	6.46%	13,659,479	7.17%	3,447,908	33.76%
10	Large O.W.U.	3,188,525	5,366,824	3.39%	5,375,968	2.82%	9,144	0.03%
11	Other Water Sales	-	-	0.00%	-	0.00%	-	0.00%
12	Private Fire Service	-	1,798,094	1.14%	2,472,112	1.30%	674,018	37.49%
13	Public Fire Service	-	9,857,596	6.23%	9,893,239	5.19%	35,643	0.36%
14	Total Water Sales	<u>36,523,128</u>	155,835,271	98.54%	188,227,200	98.79%	32,391,929	20.79%
15	Other Operating Revenues		<u>2,305,117</u>	<u>1.46%</u>	<u>2,305,117</u>	<u>1.21%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 158,140,388</u>	<u>100.00%</u>	<u>\$ 190,532,316</u>	<u>100.00%</u>	<u>\$ 32,391,929</u>	<u>20.48%</u>

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2012**

Rate Area: Chicago Metro

All Customer Classifications								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	4,374,418	\$ 22,320,510	68.07%	\$ 23,397,926	68.30%	\$ 1,077,416	4.83%
2	Commercial	968,571	3,509,677	10.70%	3,763,546	10.99%	253,869	7.23%
3	Large Commercial	155,250	320,605	0.98%	289,945	0.85%	(30,660)	-9.56%
4	Industrial	36,982	89,570	0.27%	78,927	0.23%	(10,643)	-11.88%
5	Large Industrial	-	-	0.00%	-	0.00%	-	N/A
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	115,969	413,254	1.26%	450,925	1.32%	37,671	9.12%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	-	-	0.00%	-	0.00%	-	N/A
10	Large O.W.U.	64,943	132,560	0.40%	118,647	0.35%	(13,913)	-10.50%
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	774,000	2.36%	926,288	2.70%	152,288	19.68%
13	Public Fire Service	-	4,389,287	13.39%	4,389,287	12.81%	-	0.00%
14	Total Water Sales	<u>5,716,133</u>	31,949,463	97.43%	33,415,491	97.55%	1,466,028	4.59%
15	Other Operating Revenues		<u>842,064</u>	<u>2.57%</u>	<u>842,064</u>	<u>2.45%</u>	-	0.00%
16	Total Operating Revenues		<u>\$ 32,791,527</u>	<u>100.00%</u>	<u>\$ 34,257,555</u>	<u>100.00%</u>	<u>\$ 1,466,028</u>	<u>4.47%</u>

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2012**

Rate Area: Lincoln

<u>All Customer Classifications</u>								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	355,624	\$ 1,885,403	51.24%	\$ 2,223,430	46.77%	\$ 338,027	17.93%
2	Commercial	192,969	706,258	19.20%	879,032	18.49%	172,774	24.46%
3	Large Commercial	-	-	0.00%	-	0.00%	-	N/A
4	Industrial	97,101	197,558	5.37%	289,397	6.09%	91,839	46.49%
5	Large Industrial	-	-	0.00%	-	0.00%	-	N/A
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	232,680	461,792	12.55%	742,233	15.61%	280,441	60.73%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	-	-	0.00%	-	0.00%	-	N/A
10	Large O.W.U.	-	-	0.00%	-	0.00%	-	N/A
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	45,692	1.24%	59,386	1.25%	13,694	29.97%
13	Public Fire Service	-	330,337	8.98%	507,941	10.69%	177,605	53.76%
14	Total Water Sales	<u>878,373</u>	3,627,040	98.58%	4,701,419	98.90%	1,074,380	29.62%
15	Other Operating Revenues		<u>52,290</u>	<u>1.42%</u>	<u>52,290</u>	<u>1.10%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 3,679,330</u>	<u>100.00%</u>	<u>\$ 4,753,709</u>	<u>100.00%</u>	<u>\$ 1,074,380</u>	<u>29.20%</u>

**Future Test Year Revenues at Current and Proposed Rates
 Period Reported: 12 Months Ending September 30, 2012**

Rate Area: Pekin

<u>All Customer Classifications</u>								
Line No.	Class/Description	Sales (CCF)	Current Total Revenue	% of Revenue to Total	Proposed Total Revenue	% of Revenue to Total	Dollar Increase	Total Revenue % Increase
1	Residential	993,155	\$ 4,336,191	58.78%	\$ 5,247,053	57.97%	\$ 910,862	21.01%
2	Commercial	293,098	703,216	9.53%	880,528	9.73%	177,312	25.21%
3	Large Commercial	-	-	0.00%	-	0.00%	-	N/A
4	Industrial	1,070,562	816,397	11.07%	1,133,770	12.53%	317,373	38.87%
5	Large Industrial	-	-	0.00%	-	0.00%	-	N/A
6	Competitive Industrial	-	-	0.00%	-	0.00%	-	N/A
7	O.P.A.	301,812	426,701	5.78%	552,531	6.10%	125,830	29.49%
8	Large O.P.A.	-	-	0.00%	-	0.00%	-	N/A
9	O.W.U.	-	-	0.00%	-	0.00%	-	N/A
10	Large O.W.U.	-	-	0.00%	-	0.00%	-	N/A
11	Other Water Sales	-	-	0.00%	-	0.00%	-	N/A
12	Private Fire Service	-	104,872	1.42%	129,060	1.43%	24,188	23.06%
13	Public Fire Service	-	863,609	11.71%	982,388	10.85%	118,779	13.75%
14	Total Water Sales	<u>2,658,628</u>	7,250,986	98.29%	8,925,330	98.61%	1,674,344	23.09%
15	Other Operating Revenues		<u>125,843</u>	<u>1.71%</u>	<u>125,843</u>	<u>1.39%</u>	-	<u>0.00%</u>
16	Total Operating Revenues		<u>\$ 7,376,829</u>	<u>100.00%</u>	<u>\$ 9,051,173</u>	<u>100.00%</u>	<u>\$ 1,674,344</u>	<u>22.70%</u>

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER CB-1.10

Witness Responsible:	<u>Paul R. Herbert</u>
Title:	<u>President, Valuation and Rate Division, Gannett Fleming, Inc</u>
Phone No.:	<u>717-763-7211</u>
Date Received:	<u>December 6, 2011</u>
Docket No.:	<u>11-0767</u>

CB-1.10

Please provide a detailed explanation and analysis of the current percentage of customer costs that are recovered through the Customer Charge for each water division in this proceeding.

RESPONSE

See attached schedule which includes pro forma revenue generated from the customer charge under present rates as a percentage of the pro forma customer costs.

The pro forma customer costs listed are the sum of the cost related to meters, services and billing and collecting as found on Schedule E, Lines 1, 4 and 7 for each tariff group in Exhibit 11.01.

Attachments:

[CB-1.10 Attachment 1.pdf](#)

Date Response Provided: January 4, 2012

ILLINOIS AMERICAN WATER

PERCENTAGE OF CUSTOMER COSTS RECOVERED UNDER PRESENT RATES

Tariff Group	Revenue From Customer Charge	Customer Costs*	Percentage of Customer Costs
Zone 1 w/ Chicago Metro	52,063,341	55,385,659	94.00%
Pekin	2,865,116	3,358,598	85.31%
Lincoln	925,693	1,078,350	85.84%
Total	55,854,150	59,822,606	
Zone 1, Standalone	42,682,090	47,171,686	90.48%
Chicago Metro Standalone	9,076,282	8,219,092	110.43%

* Equal to the sum of Lines 1, 4 and 7 in Schedule E of Exhibit 11.01 for each tariff group.

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER CB-1.11

Witness Responsible:	<u>Paul R. Herbert</u>
Title:	<u>President, Valuation and Rate Division, Gannett Fleming, Inc</u>
Phone No.:	<u>717-763-7211</u>
Date Received:	<u>December 6, 2011</u>
Docket No.:	<u>11-0767</u>

CB-1.11

Please provide a detailed explanation and analysis of the percentage of customer costs that the Company is proposing to recover through the Customer Charge for each water division in this proceeding.

RESPONSE

See attached schedule which includes pro forma revenue generated from the customer charge under proposed rates as a percentage of the pro forma customer costs.

The pro forma customer costs listed are the sum of the cost related to meters, services and billing and collecting as found on Schedule E, Lines 1, 4 and 7 for each tariff group in Exhibit 11.01.

Attachments:

[CB-1.11 Attachment 1.pdf](#)

Date Response Provided: January 4, 2012

ILLINOIS AMERICAN WATER

PERCENTAGE OF CUSTOMER COSTS RECOVERED UNDER PROPOSED RATES

Tariff Group	Revenue From Customer Charge	Customer Costs*	Percentage of Customer Costs
Zone 1 w/ Chicago Metro	65,743,381	55,385,659	118.70%
Pekin	3,556,586	3,358,598	105.89%
Lincoln	1,286,716	1,078,350	119.32%
Total	70,586,683	59,822,606	
Zone 1, Standalone	52,947,545	47,171,686	112.24%
Chicago Metro Standalone	10,225,286	8,219,092	124.41%

* Equal to the sum of Lines 1, 4 and 7 in Schedule E of Exhibit 11.01 for each tariff group.

Customer Charge Revenues Under Present and Company-Proposed Rates, Compared to Cost of Service

Rate Area	Customer Costs	Present Rates			IAWC Proposed Rates		
		Revenue from Customer Charge	Difference from Cost	Percentage of Customer Costs	Revenue from Customer Charge	Difference from Cost	Percentage of Customer Costs
Zone 1 with Chicago Metro	\$ 53,836,928	\$ 52,057,480	\$ (1,779,448)	96.69%	\$ 65,743,383	\$ 11,906,455	122.12%
Pekin	3,292,352	2,865,117	(427,235)	87.02%	3,556,585	264,233	108.03%
Lincoln	1,049,246	925,691	(123,555)	88.22%	1,286,715	237,469	122.63%
Total	\$ 58,178,526	\$ 55,848,288	\$ (2,330,238)	95.99%	\$ 70,586,683	\$ 12,408,157	121.33%

Customer class COS workpaper

	Meters			Services			Billing & Collection			Total
	Total	Allocator	Class	Total	Allocator	Class	Total	Allocator	Class	
Zone 1 with Chicago Metro										
Residential		0.8121	\$ 9,186,762		0.8413	\$ 13,827,333		0.9115	\$ 25,192,530	\$ 48,206,625
Commercial		0.1416	1,601,829		0.0784	1,288,557		0.0645	1,783,180	4,673,566
Large Commercial		0.0005	5,656		0.0001	1,644		0.0000	1,106	8,406
Industrial		0.0108	122,173		0.0033	54,238		0.0015	42,009	218,420
Large Industrial		0.0021	23,756		0.0002	3,287		0.0000	276	27,319
Competitive Industrial		0.0004	4,525		0.0001	1,644		-	-	6,169
Other Public Authority		0.0247	279,415		0.0092	151,208		0.0056	153,665	584,288
Large Other Public Authority		0.0015	16,969		0.0001	1,644		0.0000	276	18,889
Other Water Utility		0.0054	61,087		0.0008	13,149		0.0003	6,909	81,145
Large Other Water Utility		0.0009	10,181		0.0001	1,644		0.0000	276	12,101
Private Fire Protection		-	-		0.0664	<u>1,091,329</u>		0.0166	<u>457,403</u>	<u>1,548,732</u>
Total	\$ 11,312,353		\$ 11,312,353	\$ 16,435,674		\$ 16,435,677	\$ 27,637,631		\$ 27,637,630	\$ 55,385,660
Lincoln										
Residential		0.7361	\$ 130,585		0.8028	\$ 271,266		0.8772	\$ 493,907	\$ 895,758
Commercial		0.2049	36,349		0.1150	38,858		0.0958	53,940	129,147
Large Commercial		-	-		-	-		-	-	-
Industrial		0.0024	426		0.0013	439		0.0014	788	1,653
Large Industrial		-	-		-	-		-	-	-
Competitive Industrial		-	-		-	-		-	-	-
Other Public Authority		0.0566	10,041		0.0186	6,285		0.0113	6,362	22,688
Large Other Public Authority		-	-		-	-		-	-	-
Other Water Utility		-	-		-	-		-	-	-
Large Other Water Utility		-	-		-	-		-	-	-
Private Fire Protection		-	-		0.0623	<u>21,051</u>		0.0143	<u>8,052</u>	<u>29,103</u>
Total	\$ 177,401		\$ 177,401	\$ 337,900		\$ 337,899	\$ 563,049		\$ 563,049	\$ 1,078,349
Pekin										
Residential		0.8282	\$ 309,675		0.8617	\$ 1,066,046		0.9119	\$ 1,593,583	\$ 2,969,304
Commercial		0.1200	44,870		0.0767	94,889		0.0667	116,561	256,320
Large Commercial		-	-		-	-		-	-	-
Industrial		0.0044	1,645		0.0019	2,351		0.0011	1,922	5,918
Large Industrial		-	-		-	-		-	-	-
Competitive Industrial		-	-		-	-		-	-	-
Other Public Authority		0.0474	17,724		0.0183	22,640		0.0117	20,446	60,810
Large Other Public Authority		-	-		-	-		-	-	-
Other Water Utility		-	-		-	-		-	-	-
Large Other Water Utility		-	-		-	-		-	-	-
Private Fire Protection		-	-		0.0414	<u>51,218</u>		0.0086	<u>15,029</u>	<u>66,247</u>
Total	\$ 373,914		\$ 373,914	\$ 1,237,143		\$ 1,237,144	\$ 1,747,541		\$ 1,747,541	\$ 3,358,599

Source: IAWC Exh. 11.01 for each service area, Schedule E (costs) and allocators 9 (meters), 10 (services), and 13 (billing and collection)

AG Proposed Customer Charges

Zone 1, excluding South Beloit

	Bills	Present		IAWC Proposed				AG Proposed			
		Rate	Revenue	Rate	Revenue	\$ Increase	% Increase	Rate	Revenue	\$ Increase	% Increase
5/8 inch	2,258,339	\$ 14.50	\$ 32,745,918	\$ 18.00	\$ 40,650,106	\$ 7,904,187	24.1%	\$ 14.75	\$ 33,310,503	\$ 564,585	1.7%
3/4 inch	111,782	\$ 21.60	2,414,500	\$ 26.80	2,995,768	581,268	24.1%	\$ 21.95	2,453,624	39,124	1.6%
1 inch	57,942	\$ 31.50	1,825,160	\$ 39.10	2,265,517	440,356	24.1%	\$ 32.05	1,857,028	31,868	1.7%
1 1/2 inch	15,829	\$ 70.00	1,107,995	\$ 86.90	1,375,497	267,502	24.1%	\$ 71.20	1,126,989	18,994	1.7%
2 inch	27,199	\$ 108.00	2,937,503	\$ 134.10	3,647,399	709,897	24.2%	\$ 109.85	2,987,821	50,318	1.7%
3 inch	1,237	\$ 208.00	257,234	\$ 258.20	319,316	62,082	24.1%	\$ 211.55	261,624	4,390	1.7%
4 inch	2,120	\$ 347.00	735,675	\$ 430.80	913,339	177,664	24.1%	\$ 352.90	748,183	12,509	1.7%
6 inch	725	\$ 685.00	496,420	\$ 850.30	616,212	119,793	24.1%	\$ 696.65	504,862	8,443	1.7%
8 inch	48	\$ 1,093.00	52,245	\$ 1,356.80	64,855	12,610	24.1%	\$ 1,111.60	53,134	889	1.7%
10 inch	12	\$ 1,752.70	21,032	\$ 2,175.80	26,110	5,077	24.1%	\$ 1,782.50	21,390	358	1.7%
Total	2,475,232		\$ 42,593,682		\$ 52,874,119	\$ 10,280,436	24.1%		\$ 43,325,159	\$ 731,477	1.7%

Zone 1: South Beloit Only

	Bills	Present		IAWC Proposed				AG Proposed			
		Rate	Revenue	Rate	Revenue	\$ Increase	% Increase	Rate	Revenue	\$ Increase	% Increase
5/8 inch	32,317	\$ 10.50	\$ 339,332	\$ 14.50	\$ 468,601	\$ 129,269	38.1%	\$ 12.65	\$ 408,814	\$ 69,482	20.5%
3/4 inch	470	\$ 12.15	5,709	\$ 21.60	10,150	4,441	77.8%	\$ 17.05	8,012	2,303	40.3%
1 inch	624	\$ 15.55	9,699	\$ 31.50	19,647	9,948	102.6%	\$ 23.80	14,844	5,146	53.1%
1 1/2 inch	275	\$ 19.05	5,239	\$ 70.00	19,250	14,011	267.5%	\$ 45.15	12,416	7,178	137.0%
2 inch	463	\$ 31.75	14,700	\$ 108.00	50,004	35,304	240.2%	\$ 70.80	32,780	18,080	123.0%
3 inch	49	\$ 135.65	6,660	\$ 208.00	10,213	3,552	53.3%	\$ 173.60	8,524	1,863	28.0%
4 inch	37	\$ 166.95	6,177	\$ 347.00	12,839	6,662	107.8%	\$ 259.95	9,618	3,441	55.7%
Total	34,235		\$ 387,516		\$ 590,703	\$ 203,187	52.4%		\$ 495,008	\$ 107,492	27.7%

AG Proposed Customer Charges

Chicago Metro

	Present			IAWC Proposed				AG Proposed			
	Bills	Rate	Revenue	Rate	Revenue	\$ Increase	% Increase	Rate	Revenue	\$ Increase	% Increase
5/8 inch	414,087	\$ 13.50	\$ 5,590,170	\$ 17.00	\$ 7,039,474	\$ 1,449,303	25.9%	\$ 14.75	\$ 6,107,779	\$ 517,608	9.3%
3/4 inch	66,515	\$ 18.45	1,227,204	\$ 26.80	1,782,605	555,401	45.3%	\$ 21.95	1,460,006	232,803	19.0%
1 inch	36,275	\$ 28.35	1,028,399	\$ 39.10	1,418,356	389,957	37.9%	\$ 32.05	1,162,617	134,218	13.1%
1 1/2 inch	6,665	\$ 52.65	350,923	\$ 86.90	579,206	228,283	65.1%	\$ 71.20	474,562	123,639	35.2%
2 inch	6,964	\$ 82.25	572,814	\$ 134.10	933,913	361,099	63.0%	\$ 109.85	765,028	192,215	33.6%
3 inch	1,099	\$ 151.55	166,569	\$ 258.20	283,788	117,219	70.4%	\$ 211.55	232,515	65,946	39.6%
4 inch	183	\$ 248.75	45,496	\$ 430.80	78,793	33,297	73.2%	\$ 352.90	64,545	19,049	41.9%
6 inch	96	\$ 495.95	47,810	\$ 850.30	81,969	34,159	71.4%	\$ 696.65	67,157	19,347	40.5%
8 inch	59	\$ 790.85	46,897	\$ 1,356.80	80,458	33,561	71.6%	\$ 1,111.60	65,918	19,020	40.6%
Total	531,944		\$ 9,076,282		\$ 12,278,562	\$ 3,202,280	35.3%		\$ 10,400,128	\$ 1,323,846	14.6%
Total Zone 1 with Chicago Metro			\$ 52,057,480		\$ 65,743,383				\$ 54,220,295		
Cost of Service: Zone 1 with Chicago Metro					\$ 53,836,928				\$ 53,836,928		

Lincoln

	Present			IAWC Proposed				AG Proposed			
	Bills	Rate	Revenue	Rate	Revenue	\$ Increase	% Increase	Rate	Revenue	\$ Increase	% Increase
5/8 inch	65,520	\$ 10.50	\$ 687,961	\$ 14.50	\$ 950,041	\$ 262,080	38.1%	\$ 12.65	\$ 828,829	\$ 140,868	20.5%
3/4 inch	12	\$ 21.60	266	\$ 26.80	330	64	24.1%	\$ 21.95	270	4	1.6%
1 inch	1,522	\$ 31.50	47,952	\$ 39.10	59,522	11,569	24.1%	\$ 32.05	48,790	837	1.7%
1 1/2 inch	455	\$ 70.00	31,850	\$ 86.90	39,540	7,690	24.1%	\$ 71.20	32,396	546	1.7%
2 inch	803	\$ 108.00	86,713	\$ 134.10	107,669	20,956	24.2%	\$ 109.85	88,199	1,485	1.7%
3 inch	144	\$ 153.00	21,956	\$ 258.20	37,052	15,096	68.8%	\$ 173.60	24,912	2,956	13.5%
4 inch	144	\$ 234.00	33,743	\$ 430.80	62,121	28,379	84.1%	\$ 259.95	37,485	3,742	11.1%
6 inch	36	\$ 426.00	15,251	\$ 850.30	30,441	15,190	99.6%	\$ 561.35	20,096	4,846	31.8%
Total	68,636		\$ 925,691		\$ 1,286,715	\$ 361,024	39.0%		\$ 1,080,976	\$ 155,285	16.8%
Cost of Service: Lincoln					\$ 1,049,246				\$ 1,049,246		

AG Proposed Customer Charges

Pekin

	Bills	Present		IAWC Proposed				AG Proposed			
		Rate	Revenue	Rate	Revenue	\$ Increase	% Increase	Rate	Revenue	\$ Increase	% Increase
5/8 inch	153,271	\$ 14.50	\$ 2,222,425	\$ 18.00	\$ 2,758,873	\$ 536,447	24.1%	\$ 14.75	\$ 2,260,743	\$ 38,318	1.7%
3/4 inch	10,630	\$ 21.60	229,602	\$ 26.80	284,876	55,274	24.1%	\$ 21.95	233,322	3,720	1.6%
1 inch	3,539	\$ 31.50	111,488	\$ 39.10	138,387	26,899	24.1%	\$ 32.05	113,435	1,947	1.7%
1 1/2 inch	354	\$ 70.00	24,794	\$ 86.90	30,780	5,986	24.1%	\$ 71.20	25,219	425	1.7%
2 inch	1,497	\$ 108.00	161,687	\$ 134.10	200,761	39,074	24.2%	\$ 109.85	164,456	2,770	1.7%
3 inch	61	\$ 208.00	12,709	\$ 258.20	15,776	3,067	24.1%	\$ 211.55	12,926	217	1.7%
4 inch	100	\$ 347.00	34,735	\$ 430.80	43,123	8,388	24.1%	\$ 352.90	35,325	591	1.7%
6 inch	99	\$ 685.00	67,678	\$ 850.30	84,010	16,332	24.1%	\$ 696.65	68,829	1,151	1.7%
Total	169,551		\$ 2,865,117		\$ 3,556,585	\$ 691,468	24.1%		\$ 2,914,255	\$ 49,138	1.7%
Cost of Service: Pekin					\$ 3,292,352				\$ 3,292,352		
Customer Charge Revenues Under Proposed Rates: Total Company					\$ 70,586,683				\$ 58,215,526		
Cost of Service: Total Company					\$ 58,178,526				\$ 58,178,526		

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER DLH-17.01

Witness Responsible:	<u>Rich Kerckhove</u>
Title:	<u>Manager, Rates and Regulation</u>
Phone No.:	<u>(314) 996-2366</u>
Date Received:	<u>December 30, 2011</u>
Docket No.:	<u>11-0767</u>

DLH-17.01

Assuming the Commission adopts the revenue requirements, including amounts for revenues, chemicals, fuel and power, and waste disposal, and adopts the level of water sales, all as filed by the Company October 27, please provide the values for Per Order Production Cost, Per Order Water Sales, and Target Revenues for each district for which a revenue adjustment clause is requested. Please provide all supporting documents, calculations, and workpapers. To the extent applicable, all documents and workpapers should be provided in Excel format with working formulas.

RESPONSE

Please see the attached for the amounts requested. The input schedules are noted at the bottom of the attached spreadsheet and all inputs link to schedules provided in response to DGK-1.02.

Attachments:

[DLH-17.01 Attachment 1.xlsx](#)

Date Response Provided: January 12, 2012

Illinois-American Water Company
Docket No. 11-0767
DLH-17.01 Attachment 1
Calculation of RAC Baseline Amounts

	Zone 1	Pekin	Lincoln	Chicago Metro	Zone 1 incl CM	Total
Residential						
Sales	\$ 102,873,295	\$ 5,188,203	\$ 2,205,524	\$ 23,026,286	\$ 125,899,581	\$ 133,293,308
Usage (1,000 gal)	10,471,631	724,830	263,250	3,178,615	13,650,246	14,638,326
Commercial						
Sales	\$ 29,712,708	\$ 862,318	\$ 880,770	\$ 4,023,614	\$ 33,736,322	\$ 35,479,410
Usage (1,000 gal)	4,641,525	210,460	144,675	834,520	5,476,045	5,831,180
Industrial						
Sales	\$ 12,721,562	\$ 1,133,770	\$ 289,397	\$ 78,927	\$ 12,800,489	\$ 14,223,656
Usage (1,000 gal)	4,200,480	800,781	72,631	27,663	4,228,143	5,101,555
Other Public Authority						
Sales	\$ 8,888,333	\$ 552,983	\$ 683,913	\$ 432,362	\$ 9,320,695	\$ 10,557,591
Usage (1,000 gal)	2,097,630	223,953	158,406	78,333	2,175,963	2,558,322
Sales for Resale						
Sales	\$ 18,584,785	\$ -	\$ -	\$ 115,965	\$ 18,700,750	\$ 18,700,750
Usage (1,000 gal)	5,600,862	-	-	47,371	5,648,233	5,648,233
Total						
Sales (Targeted Revenues)	\$ 172,780,683	\$ 7,737,274	\$ 4,059,604	\$ 27,677,154	\$ 200,457,837	\$ 212,254,715
Usage, 1,000 gal (Per Order Water Sales)	27,012,128	1,960,024	638,962	4,166,502	31,178,630	33,777,616
Production Costs						
Fuel and Power	\$ 6,052,534	\$ 225,190	\$ 129,244	\$ 378,564	\$ 6,431,098	\$ 6,785,531
Chemicals	7,400,837	67,749	52,425	33,077	7,433,915	7,554,090
Waste Disposal	709,983	-	29,881	-	709,983	739,864
Total (Production Cost per Order)	\$ 14,163,354	\$ 292,939	\$ 211,551	\$ 411,641	\$ 14,574,995	\$ 15,079,486
PC (Production Cost per 1,000 gallons)	\$ 0.5243	\$ 0.1495	\$ 0.3311	\$ 0.0988	\$ 0.4675	\$ 0.4464
TR (Target Revenues net of Production Costs)	\$ 158,617,329	\$ 7,444,335	\$ 3,848,053	\$ 27,265,513	\$ 185,882,842	\$ 197,175,229

Sales per Schedule E-5

Usage per Schedule E-4, multiplied by 0.748

Production Costs per Schedule C-2

All inputs linked to schedules provided in response to DGK-1.02

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS COMMERCE COMMISSION
DATA REQUEST NUMBER CLH-4.01

Witness Responsible:	<u>Rich Kerckhove</u>
Title:	<u>Manager, Rates and Regulation</u>
Phone No.:	<u>(314) 996-2366</u>
Date Received:	<u>December 9, 2011</u>
Docket No.:	<u>11-0767</u>

CLH-4.01

Please provide a spreadsheet that reflects the scenario if the Rider Adjustment Clause would have been in effect from the years 2005 – 2010.

RESPONSE

Attached is a spreadsheet that reflects the Rider Adjustment Clause as if it had been in effect since 2005. Years 2005-2008 are covered by the 2002 Rate Order and 2009 and 2010 are covered under the 2007 Rate Order. The scenarios used are calendar years for 2005-2010.

Attachments:

[CLH-4.01 Attachment 1.xls](#)

Date Response Provided: December 30, 2011

**Illinois American Water
Staff Data Request CLH-4.01**

SC% = Surcharge/Credit

PC = Production cost / 1,000 gallon = Production Cost Per Order / Per Order Water Sales (TG)

TR = Target Revenues, net of Production Costs per Order

AR = Actual Revenues, net of Production Costs (PC times actual revenue period sales)

TA = Target Amount to be recovered

SC% = (TR/AR)-1

TA = TR - AR

	1 2005	1 2006	1 2007	2 2008	3 2009	4 2010
PC Calculation						
Production Cost Per Order	9,384,623	9,384,623	9,384,623	11,258,949	13,955,135	15,933,410
Per Order Water Sales (TG)	38,807,415	38,807,415	38,807,415	39,215,126	39,801,612	37,404,869
PC = \$	\$ 0.2418	\$ 0.2418	\$ 0.2418	\$ 0.2871	\$ 0.3506	\$ 0.4260
TR Calculation						
Targeted Revenues	148,748,369	148,748,369	148,748,369	153,624,206	160,638,019	180,600,861
Production Costs Per Order	9,384,623	9,384,623	9,384,623	5,722,875	13,955,135	11,947,572
TR =	139,363,746	139,363,746	139,363,746	147,901,331	146,682,884	168,653,289
AR Calculation						
Actual Revenues	135,119,402	127,553,890	133,157,448	136,455,417	146,155,092	175,337,247
Actual Revenue Period Sales	39,687,471	40,579,981	38,511,495	35,779,350	33,444,708	35,517,526
Times PC Factor	\$ 0.2418	\$ 0.2418	\$ 0.2418	\$ 0.2871	\$ 0.3506	\$ 0.4260
PC Factor times Sales	9,597,443	9,813,275	9,313,062	10,272,513	11,726,294	15,129,456
AR =	125,521,959	117,740,615	123,844,386	126,182,904	134,428,798	160,207,791
SC% Calculation						
SC% = (TR/AR)-1	11.03%	18.37%	12.53%	17.21%	9.12%	5.27%
SC% Limit	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
TA Calculation						
TA = TR - AR	13,841,787	21,623,131	15,519,360	21,718,427	12,254,086	8,445,498

Notes:

1. 2005 - 2007 are based on the 02-0690 rate order.
2. 2008 is based on prorated 02-0690 and 07-0507 rate orders as new rates were in effect 8/8/2009.
3. 2009 is based on the 07-0507 rate order.
4. 2010 is based on the prorated 07-0507 and 09-0319 rate orders as new rates were in effect 4/23/2010.