

**ILLINOIS-AMERICAN WATER COMPANY**  
**RESPONSE TO ILLINOIS COMMERCE COMMISSION**  
**DATA REQUEST NUMBER CB-8.03**

Witness Responsible: Paul R. Herbert  
Title: President, Valuation and Rate Division, Gannett Fleming, Inc.  
Phone No.: 717-763-7211  
Date Received: March 5, 2012  
Docket No.: 11-0767

**CB-8.03**

Please identify and explain each of the reasons why IAWC's proposed Customer Charges for meter sizes larger than 5/8" are not calculated using the application of the American Water Works Association meter factor approach.

**RESPONSE**

The Company chose to increase the customer charges by a uniform percentage rounded to the nearest \$0.10 rather than using the application of the AWWA meter factor approach. The Company determined that this method would produce reasonable customer charges that were consistent with the AWWA factors and also the customer charges previously approved by the Commission. The resulting factors relative to a 5/8 Inch meter size for the Company's proposed Zone 1 meter charges are similar to the AWWA meter equivalent factors. See below for a comparison of factors:

**Zone 1**

<u>Meter Size</u>	<u>Proposed Customer Charges</u>	<u>Ratio, Based on Proposed Customer Charges</u>	<u>AWWA Factor</u>
5/8 inch	18.00	1.00	1.00
3/4 inch	26.80	1.49	1.50
1 inch	39.10	2.17	2.50
1 1/2 inch	86.90	4.83	5.00
2 inch	134.10	7.45	8.00
3 inch	258.20	14.34	15.00
4 inch	430.80	23.93	25.00
6 inch	850.30	47.24	50.00
8 inch	1,356.80	75.38	80.00
10 inch	2,175.80	120.88	115.00

The Company's present rates which were approved by the Commission have the same meter factors as the customer charges proposed by the Company with the exception of Chicago Metro. The Company's proposed meter charges for Chicago Metro bring the meter factors more in line with the

AWWA meter equivalent factors. The present and proposed customer charges for Chicago Metro produce the following meter factors:

**Chicago Metro**

<u>Meter Size</u>	<u>Present Customer Charges</u>	<u>Ratio, Based on Present Customer Charges</u>	<u>Proposed Customer Charges</u>	<u>Ratio, Based on Proposed Customer Charges</u>
5/8 inch	13.50	1.00	17.00	1.00
3/4 inch	18.45	1.37	26.80	1.58
1 inch	28.35	2.10	39.10	2.30
1 1/2 inch	52.65	3.90	86.90	5.11
2 inch	82.25	6.09	134.10	8.89
3 inch	151.55	11.23	258.20	15.19
4 inch	248.75	18.43	430.80	25.34
6 inch	495.95	36.74	850.30	50.02
8 inch	790.85	58.58	1,356.80	79.81

**Attachments:**

**Date Response Provided:**