

ILLINOIS-AMERICAN WATER COMPANY
RESPONSE TO ILLINOIS OFFICE OF ATTORNEY GENERAL
DATA REQUEST NUMBER AG-2.134

Witness Responsible:	<u>Rich Kerckhove</u>
Title:	<u>Manager, Rates and Regulation</u>
Phone No.:	<u>(314) 996-2366</u>
Date Received:	<u>January 10, 2012</u>
Docket No.:	<u>11-0767</u>

AG-2.134

Identify all FIN 48 interest recorded on IAWC's books, by account, for each year, 2009, 2010, 2011 and 2012 to date.

- a. Provide the general ledger pages showing the FIN 48 interest for each period.
- b. Provide the journal entries showing the FIN 48 interest for each period.
- c. Provide a detailed explanation and supporting calculations showing exactly how the FIN 48 interest was calculated for each period, including identifying and explaining the source and basis for the interest rate used and the balance of "uncertain" tax positions to which the interest rate was applied.
- d. Identify the amount of FIN 48 interest recorded by IAWC, by account, in each year: 2009, 2010 and 2011 and as projected for 2012, 2013 and the future test year.

RESPONSE

IAWC objects to this request because it asks for cumulative information. Subject to and without waiving that objection, IAWC responds as follows.

- a) See the attachment for the general ledger pages.
- b) The journal entry would be - Debit Current Income Tax Expense and Credit Other Long Term Liabilities
- c) Cumulatively, there is no interest booked on IL-AM's books at 12/31/2011. Though there was interest booked for the 2009 and 2010 FIN 48, the amount was reversed after the calculation was trued up for the actual results of the tax returns. IL-AM had enough net operating losses generated in each year to cover the possible FIN 48 and interest liability.
- d) See a & c. Interest for 2012 and 2013, if any, cannot be determined at this time because the rates are not available.

Attachments:

AG-2.134 Attachment 1 - FIN48 Interest GL screen prints.doc

Date Response Provided: February 21, 2012

AG-2.134 Attachment 1 –
FIN418 Interest GL screen prints

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: 098505.265800
FIN 48 Reserve - Federal

From Date/Period: 01/01/10
Thru Date/Period: 12/31/11
Ledger Type: AA
Subledger: *

Skip to Doc/Type: [] []
Y-T-D Period End: 18.00-
Cumul Period End: [] []

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
JE	260606	06/30/10	Record FIN 48	6.00		P
JE	9091027	09/30/10	Q3 2010 Fin 48	6.00		P
JE	30950448	12/31/10	2010 Q4 FIN48	6.00		P
JE	30959513	03/31/11	Q1 2011 FIN48 Liab		12.00-	P
JE	30964207	05/31/11	2010 SepCo Period		61,991.00-	P
JE	30969284	06/30/11	Q2 2011 FIN48 Liab	37.00		P
JE	30978995	09/30/11	Q3 2011 FIN48 Liab	38.00		P
JE	30988387	12/31/11	Q4 2011 FIN48 Inte		81.00-	P
JE	30988384	12/31/11	2008-2010 FIN48 Li	61,991.00		P
				62,084.00	62,084.00-	
			Ledger Total			
			Unposted Total			

Opt: 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=Prt Ledg F24=More

[09200] - Account Ledger Inquiry

Functions Options Tools Help

Account: 098505.265810
FIN 48 Reserve - State

From Date/Period: 01/01/10
Thru Date/Period: 12/31/11
Ledger Type: AA
Subledger: *

Skip to Doc/Type: [] []
Y-T-D Period End: 1,369.00
Cumul Period End: [] []

Additional Selections Exist

DT	Document	Date	Explanation	Debit	Credit	P
JE	9031022	03/31/10	Income Tax Entry		1,317.00-	P
JE	260606	06/30/10	Record FIN 48		18.00-	P
JE	9091027	09/30/10	Q3 2010 Fin 48		17.00-	P
JE	30950448	12/31/10	2010 Q4 FIN48		17.00-	P
JE	30959513	03/31/11	Q1 2011 FIN48 Liab	34.00		P
JE	30959095	03/31/11	FIN48 Liab True-Up	1,317.00		P
JE	30964207	05/31/11	2010 SepCo Period		8,502.00-	P
JE	30969284	06/30/11	Q2 2011 FIN48 Liab		106.00-	P
JE	30978995	09/30/11	Q3 2011 FIN48 Liab		108.00-	P
JE	30988387	12/31/11	Q4 2011 FIN48 Inte	232.00		P
JE	30988384	12/31/11	2008-2010 FIN48 Li	8,502.00		P
				10,085.00	10,085.00-	

Opt: 1/2=Orig Entry 5=Details F17=Top F18=Totals F21=Prt Ledg F24=More