

REBUTTAL TESTIMONY

Of

MARY H. EVERSON

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Illinois-American Water Company

Annual Reconciliation of Purchased Water and Sewage Treatment Surcharges

Docket No. 12-0200

October 28, 2015

**TABLE OF CONTENTS**

Witness Identification ..... 1  
Schedules ..... 2  
Response to IAWC ..... **Error! Bookmark not defined.**  
Corrections to Water Surcharge Reconciliation ..... 4  
Corrections to Sewage Treatment Surcharge Reconciliation..... **Error! Bookmark not defined.**  
Response to IAWC regarding compound versus simple interest ..... 5  
Conclusion ..... 6

**SCHEDULES**

- Schedule 1.1 – Purchased Water Surcharge Reconciliation Summary
- Schedule 1.2 – Purchased Water Surcharge Reconciliation by Service Area
- Schedule 1.3 – Purchased Sewage Treatment Reconciliation Summary
- Schedule 1.4 – Purchased Sewage Treatment Reconciliation by Service Area

1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Mary H. Everson. My business address is 527 East Capitol  
4 Avenue, Springfield, Illinois 62701.

5 **Q. Are you the same Mary H. Everson who prepared direct testimony in  
6 this case?**

7 A. Yes.

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. I am responding to Illinois American Water Company's ("IAWC" or  
10 "Company") supplemental direct testimony, IAWC Exhibit 1.00SUPP, and  
11 rebuttal testimony, IAWC Exhibit 1.00R, sponsored by Rich Kerckhove. I  
12 agree with IAWC's recommendation:

13 1) that the amount of company-used water in the Southwest Suburban  
14 service area should be corrected; (IAWC Ex. 1.00SUPP, 1-2) ; and  
15 2) that the interest on O Components in the Chicago Suburban Variable and  
16 Fixed charges should be offset. (IAWC Ex. 1.00R, 3.)

17 I disagree with IAWC's reconciliation schedules as presented on IAWC Ex.  
18 1.11R concerning:

19 1) O Components and interest that have not been recognized in prior  
20 reconciliations; and

21 2) the calculation method for interest applied on the O Components.

22 **Schedules**

23 **Q. Are you sponsoring any schedules as part of your rebuttal testimony,**  
24 **ICC Staff Exhibit 2.0?**

25 A. Yes. I am sponsoring the following schedules:

26 Schedule 2.1 – Purchased Water Surcharge Reconciliation Summary

27 Schedule 2.2 – Purchased Water Surcharge Reconciliation by Service Area

28 Schedule 2.3 – Purchased Sewage Treatment Surcharge Reconciliation  
29 Summary

30 Schedule 2.4 – Purchased Sewage Treatment Surcharge Reconciliation by  
31 Service Area

32 I have prepared a separate Schedule 2.2 for each water service area and a  
33 separate Schedule 2.4 for each sewage treatment service area. The  
34 schedules are numbered as follows for the water service areas:

- 35 2.2 AH for Alpine Heights;
- 36 2.2 CS-V and CS-F for Chicago Suburban;
- 37 2.2 DC-V and DC-F for DuPage County;
- 38 2.2 F for Fernway;
- 39 2.2 M for Moreland;
- 40 2.2 SW for Southwest Suburban;
- 41 2.2 W for Waycinden; and
- 42 2.2 SB-V and SB-F for South Beloit.

43 The purchased sewage treatment service area schedules are numbered as  
44 follows:

- 45 2.4 CC for Country Club;
- 46 2.4 VV for Valley View;

47 2.4 RO for Rollins; and  
48 2.4 RM for Romeoville.

49 **Issues No Longer in Dispute**

50 **Q. Please discuss the company-used water in the Southwest Suburban**  
51 **service area that should be corrected.**

52 A. In IAWC Exhibit 1.01SUPP, Mr. Kerckhove identifies a correction to IAWC's  
53 calculation of water used in its facilities in the Southwest Suburban water  
54 surcharge area that was discovered after IAWC filed its reconciliation in his  
55 direct testimony and was inadvertently not reflected in the schedules  
56 attached to his rebuttal testimony, IAWC Exhibit 1.00R. IAWC Ex.  
57 1.01SUPP provides supporting information for this correction to company-  
58 used water. I agree with this correction and have reflected the adjustment  
59 on Schedule 2.2 SW Column (D), line 6.

60 **Q. Please discuss the issue concerning the interest in the Chicago**  
61 **Suburban Variable and Fixed charges that should be offset.**

62 A. Mr. Kerckhove states that the separate interest corrections to the variable  
63 and fixed components of the Chicago Suburban surcharge result in  
64 offsetting interest amounts. He further states that the separate interest  
65 corrections should not be charged to and collected from the same  
66 customers since the corrections are offsetting. (IAWC Ex. 1.00R, 2.) Since  
67 separately charging and refunding the same interest amount to the same

68 customers results in a zero impact on those customers, I agree with IAWC's  
69 recommendation.

70 **O Components and Interest Not Recognized in Prior Reconciliations**

71 **Q. Please explain the corrections to the reconciliations for the O**  
72 **Components and interest that have not been previously recognized.**

73 A. I am adjusting the following surcharge areas for interest on O Components  
74 that have not previously been recognized in the reconciliation and the  
75 related interest on those O Components:

76 Purchased Water Surcharges

- 77 1) DuPage-Variable and Fixed,
- 78 2) Moreland,
- 79 3) Southwest Suburban
- 80 4) Waycinden, and
- 81 5) South Beloit-Variable and Fixed

82 Sewage Treatment Surcharges

- 83 6) Country Club,
- 84 7) Valley View, and
- 85 8) Romeoville.

86 The details of the calculation of the interest calculation are presented on  
87 each Schedule 2.2 for each of the service areas providing water service and

88 Schedule 2.4 for each of the service areas providing sewage treatment  
89 service.

90 **Calculation Method for Interest Applied on the O Component**

91 **Q. Please discuss your position on the calculation method for interest**  
92 **applied on the O Component.**

93 A. IAWC witness Rich Kerckhove argues for using simple interest rather than  
94 compound interest on O Components not yet collected from/refunded to  
95 customers.

96 **Q. Please explain the difference between simple and compound interest**  
97 **calculations.**

98 A. Interest is calculated to approximate the holding cost of the O Component  
99 for the time period between the end of the reconciliation period and the  
100 billing month in which the O Component is refunded or collected. Simple  
101 interest calculates interest on the O Component only; compound interest  
102 calculates interest on the O Component and accrued interest.

103 **Q. What instruction for the calculation of interest is provided by 83 Ill.**  
104 **Adm. Code 6556.50(c)?**

105 A. 83 Ill. Adm. Code 655.50(c) does not provide instruction as to the method  
106 for the calculation of interest. Section 655.50(c) states:

107 Costs and revenues associated with the purchased  
108 water/sewage treatment surcharge shall be subject to  
109 adjustment components (Of, Ov, and O, as applicable) as  
110 required by an Order of the Commission. Any difference  
111 determined by the Commission shall be credited or charged,

112 as appropriate, **along with an interest at the effective rates**  
113 **established by the Commission under 83 Ill. Adm. Code**  
114 **280.70(e)(1). Interest of the adjustment component shall**  
115 **be applied from the end of the reconciliation year until the**  
116 **adjustment component is refunded or charged.**

117 83 Ill. Adm. Code 655.50(c) (emphasis added).

118 **Q. By what authority are you basing your recommendation that interest**  
119 **be compounded?**

120 A. I am not aware of any rider or adjustment mechanisms subject to the  
121 jurisdiction of the Illinois Commerce Commission (“Commission” or “ICC”)  
122 that provide for simple interest on amounts ordered by the Commission to  
123 be refunded or collected to customers. Thus, it would be a different  
124 calculation method if IAWC were to use simple interest in its purchased  
125 water and sewage treatment surcharges.

126 In the instances where the O Component has not been previously  
127 recognized or where IAWC’s calculation of interest differs from Staff’s, there  
128 is an interest correction calculated on page 2 of Schedules 2.2 and 2.4 by  
129 service area that is brought forward to the respective service area on  
130 Schedule 2.1 and Schedule 2.3.

131 **Conclusion**

132 **Q. What are your recommendations to the Commission?**

133 A. I recommend:

134 1) that the Commission adopt the Purchased Water and Purchased Sewage  
135 Treatment Surcharge Reconciliations as presented on Schedules 2.1 and  
136 2.3, respectively, attached to this rebuttal testimony.

137 2) that Schedules 2.1 through 2.4 be attached as Appendices to the  
138 Commission's Order in this proceeding.

139 3) that the Commission order IAWC to include the O Component from this  
140 reconciliation into the Southwest Suburban rate in its next rate change after  
141 the Commission issues an order in this case.

142 **Q. Does this conclude your prepared rebuttal testimony?**

143 A. Yes.

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Summary of Water Reconciliations  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ (4,601)	\$ -	\$ -	\$ (4,601)
2	R Component as of 12/31/2010 per 2010 Reconciliation	(152,414)	(176)	-	(152,590)
3	O Component to be Collected / (Refunded) in future years	(303,923)	176	-	(303,747)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (460,938)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (460,938)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 18,411,032	\$ -	\$ -	\$ 18,411,032
6	2011 Revenues	(18,262,344)	-	-	(18,262,344)
7	Other Adjustments - UAF in Excess of Tariff	(187,954)	-	114,616	(73,338)
8	Interest	-	-	-	-
9	Prior Orders O Component	-	5,725	-	5,725
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (39,266)</u>	<u>\$ 5,725</u>	<u>\$ 114,616</u>	<u>\$ 81,075</u>
11	Cumulative (Over)/Under Recovery (Line 4 + Line 10)	<u>\$ (500,203)</u>	<u>\$ 5,725</u>	<u>\$ 114,616</u>	<u>\$ (379,862)</u>
<u>Disposition of Under / (Over) Recovery Balance at 12/31 2011</u>					
12	Unamortized Balance as of 12/31/2011	\$ (4,601)	\$ -	\$ -	\$ (4,601)
13	R Component to be Collected / (Refunded) in 2012	(191,679)	-	-	(191,679)
14	O Component to be Collected / (Refunded) in future years	(303,923)	5,725	-	(298,198)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	114,616	114,616
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14 +15)	<u>\$ (500,203)</u>	<u>\$ 5,725</u>	<u>\$ 114,616</u>	<u>\$ (379,862)</u>

O Component to be Collected / (Refunded) in future years:

Chicago Suburban - V	\$ (863)
Chicago Suburban - F	1,880
DuPage County - Variable	265
DuPage County - Fixed	97
Moreland	(883)
Southwest Suburban	(289,303)
Waycinden	(9,500)
South Beloit - Variable	(187)
South Beloit - Fixed	296
	<u>\$ (298,198)</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Alpine Heights  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (1,377)	\$ -	\$ -	\$ (1,377)
2	O Component to be Collected / (Refunded) in future years	-	-	-	-
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (1,377)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,377)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 59,120	\$ -	\$ -	\$ 59,120
5	2011 Revenues	(58,825)	-	-	(58,825)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	-	-	-
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295</u>
10	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 3 + Line 9)	<u>\$ (1,082)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,082)</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (1,082)	\$ -	\$ -	\$ (1,082)
12	O Component to be Collected / (Refunded) in future years	-	-	-	-
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (1,082)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,082)</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C):
- Column (D):
- Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Chicago Suburban-Variable  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (98,308)	\$ -	\$ -	\$ (98,308)
2	O Component to be Collected / (Refunded) in future years	(32,635)	-	-	(32,635)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (130,943)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (130,943)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 1,213,144	\$ -	\$ -	\$ 1,213,144
5	2011 Revenues	(1,088,680)	-	-	(1,088,680)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	31,772	-	31,772
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 124,464</u>	<u>\$ 31,772</u>	<u>\$ -</u>	<u>\$ 156,236</u>
10	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 3 + Line 9)	<u>\$ (6,479)</u>	<u>\$ 31,772</u>	<u>\$ -</u>	<u>\$ 25,293</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ 26,156	\$ -	\$ -	\$ 26,156
12	O Component to be Collected / (Refunded) in future years	(32,635)	31,772	-	(863)
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (6,479)</u>	<u>\$ 31,772</u>	<u>\$ -</u>	<u>\$ 25,293</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.2, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Sewer Surcharge Reconciliation  
Chicago Suburban-Variable  
Staff Adjustment - Prior Years O Component and Interest Calculation

Line No.	Description (A)	2007 (B)	2008 (C)	2009 (E)	2010 (F)	2011 (G)
<b>Docket No. 07-0195</b>						
1	O Component per Order	\$ 15,097				
2	Interest Rate	5%	3.50%			
3	% of Year	100%	25%			
4	Interest on O Component ( 2007 = Line 1 x Line 2 x Line 3) ( 2008 = Line 6 x Line 2 x Line 3)	755	139			
5	Amount (Collected) / Refunded in Reconciliation		(16,854)			
6	Ending Balance - O Component + Interest (2007 = Line 1 + Line 4 + Line 5) (2008 = Line 6 + Line 4 + Line 5)	<u>\$ 15,852</u>	<u>\$ (863)</u>	<u>\$ (863)</u>	<u>\$ (863)</u>	<u>\$ (863)</u>
7	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)					<u>(32,635)</u>
8	Staff Adjustment (Line 6 - Line 7)					<u>\$ 31,772</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Chicago Suburban-Fixed  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ 24,577	\$ -	\$ -	\$ 24,577
2	O Component to be Collected / (Refunded) in future years	33,631	-	-	33,631
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 58,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,208</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 888,703	\$ -	\$ -	\$ 888,703
5	2011 Revenues	(904,326)	-	-	(904,326)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	(31,751)	-	(31,751)
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ (15,623)</u>	<u>\$ (31,751)</u>	<u>\$ -</u>	<u>\$ (47,374)</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ 42,586</u>	<u>\$ (31,751)</u>	<u>\$ -</u>	<u>\$ 10,835</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ 8,955	\$ -	\$ -	\$ 8,955
12	O Component to be Collected / (Refunded) in future years	33,631	(31,751)	-	1,880
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ 42,586</u>	<u>\$ (31,751)</u>	<u>\$ -</u>	<u>\$ 10,835</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D):
- Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Sewer Surcharge Reconciliation  
Chicago Suburban-Fixed  
Staff Adjustment - Prior Years O Component and Interest Calculation

Line No.	Description (A)	2007 (B)	2008 (C)	2009 (D)	2010 (E)	2011 (F)
<b><u>Docket No. 07-0195</u></b>						
1	O Component per Order	\$ 31,765				
2	Interest Rate	5%	3.50%			
3	% of Year	100%	25%			
4	Interest on O Component ( 2007 = Line 1 x Line 2 x Line 3) ( 2008 = Line 6 x Line 2 x Line 3)	1,588	292			
5	Amount (Collected) / Refunded in Reconciliation		(31,765)			
6	Ending Balance - O Component + Interest (2007 = Line 1 + Line 4 + Line 5) (2008 = Line 6 + Line 4 + Line 5)	<u>\$ 33,353</u>	<u>\$ 1,880</u>	<u>\$ 1,880</u>	<u>\$ 1,880</u>	<u>\$ 1,880</u>
7	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)					<u>33,631</u>
8	Staff Adjustment (Line 6 - Line 7)					<u>\$ (31,751)</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
DuPage County-Variable  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (48,630)	\$ -	\$ -	\$ (48,630)
2	O Component to be Collected / (Refunded) in future years	(107)	-	-	(107)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (48,737)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,737)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 1,326,853	\$ -	\$ -	\$ 1,326,853
5	2011 Revenues	(1,388,685)	-	-	(1,388,685)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	372	-	372
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ (61,832)</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ (61,460)</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ (110,569)</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ (110,197)</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (110,462)	\$ -	\$ -	\$ (110,462)
12	O Component to be Collected / (Refunded) in future years	(107)	372	-	265
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (110,569)</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ (110,197)</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D):
- Column (E): Col. (B) + (C) + (D)

**Illinois American Water Company  
Purchased Sewer Surcharge Reconciliation  
DuPage County-Variable  
Staff Adjustment - Prior Years O Component and Interest Calculation**

Line No.	Description (A)	2010 (B)	2011 (C)
<b><u>Docket No. 10-0203</u></b>			
1	O Component per Order	\$ 261	
2	Interest Rate	1.00%	0.50%
3	% of Year	100%	100%
4	Interest on O Component (2010 = Line 19 x Line 20 x Line 21) (2011 = Line 24 x Line 20 x Line 21)	3	1
5	Amount (Collected) / Refunded in Reconciliation	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ 264</u>	265
7	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)		<u>(107)</u>
8	Staff Adjustment (Line 6 - Line 7)		<u>\$ 372</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
DuPage County-Fixed  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ 644	\$ -	\$ -	\$ 644
2	O Component to be Collected / (Refunded) in future years	2,313	-	-	\$ 2,313
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 2,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,957</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 574,116	\$ -	\$ -	\$ 574,116
5	2011 Revenues	(568,599)	-	-	(568,599)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	(2,216)	-	(2,216)
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 5,517</u>	<u>\$ (2,216)</u>	<u>\$ -</u>	<u>\$ 3,301</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ 8,474</u>	<u>\$ (2,216)</u>	<u>\$ -</u>	<u>\$ 6,258</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ 6,161	\$ -	\$ -	\$ 6,161
12	O Component to be Collected / (Refunded) in future years	2,313	(2,216)	-	97
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ 8,474</u>	<u>\$ (2,216)</u>	<u>\$ -</u>	<u>\$ 6,258</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D):
- Column (E): Col. (B) + (C) + (D)

**Illinois American Water Company  
 Purchased Sewer Surcharge Reconciliation  
 DuPage County-Fixed  
 Staff Adjustment - Prior Years O Component and Interest Calculation**

Line No.	Description (A)	2010 (B)	2011 (C)
<b><u>Docket No. 10-0203</u></b>			
1	O Component per Order	\$ 97	
2	Interest Rate	0.50%	0.50%
3	% of Year	100%	100%
4	Interest on O Component (2010 = Line 1 x Line 2 x Line 3) (2011 = Line 6 x Line 2 x Line 3)	-	-
5	Amount (Collected) / Refunded in Reconciliation	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ 97</u>	97
7	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)		<u>2,313</u>
8	Staff Adjustment (Line 6 - Line 7)		<u>\$ (2,216)</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Fernway  
For the Year Ended December 31, 2011

Line No.	Description	As Filed Per Company	Prior Orders O Component	Adjustments	Per Staff
	(A)	(B)	(C)	(D)	(E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (41,223)	\$ -	\$ -	\$ (41,223)
2	O Component to be Collected / (Refunded) in future years	(1)	-	-	(1)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (41,224)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,224)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 455,813	\$ -	\$ -	\$ 455,813
5	2011 Revenues	(425,604)	-	-	(425,604)
6	Other Adjustments - UAF in Excess of Tariff	1	-	-	1
7	Interest	-	-	-	-
8	Prior Orders O Component	-	-	-	-
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 30,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,210</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ (11,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,014)</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (11,013)	\$ -	\$ -	\$ (11,013)
12	O Component to be Collected / (Refunded) in future years	(1)	-	-	(1)
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (11,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,014)</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.2, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Moreland  
For the Year Ended December 31, 2011

Line No.	Description	As Filed Per Company	Prior Orders O Component	Adjustments	Per Staff
	(A)	(B)	(C)	(D)	(E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ (4,601)	\$ -	\$ -	\$ (4,601)
2	R Component as of 12/31/2010 per 2010 Reconciliation	(7,169)	-	-	(7,169)
3	O Component to be Collected / (Refunded) in future years	(42)	-	-	(42)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (11,812)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,812)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 29,002	\$ -	\$ -	\$ 29,002
6	2011 Revenues	(25,245)	-	-	(25,245)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	(841)	-	(841)
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 3,757</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$ 2,916</u>
11	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 10)	<u>\$ (8,055)</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$ (8,896)</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ (4,601)	\$ -	\$ -	\$ (4,601)
13	R Component to be Collected / (Refunded) in 2012	(3,412)	-	-	(3,412)
14	O Component to be Collected / (Refunded) in future years	(42)	(841)	-	(883)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	0
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14 +15)	<u>\$ (8,055)</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$ (8,896)</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.2, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

**Illinois American Water Company  
 Purchased Sewer Surcharge Reconciliation  
 Moreland  
 Staff Adjustment - Prior Years O Component and Interest Calculation**

Line No.	Description (A)	2010 (B)	2011 (C)
<b><u>Docket No. 10-0203</u></b>			
1	O Component per Order	\$ (874)	
2	Interest Rate	0.50%	0.50%
3	% of Year	100%	100%
4	Interest on O Component (2010 = Line 1 x Line 2 x Line 3) (2011 = Line 6 x Line 2 x Line 3)	(4)	(4)
5	Amount (Collected) / Refunded in Reconciliation	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ (878)</u>	\$ (883)

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Southwest Suburban  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ 66,142	\$ -	\$ -	\$ 66,142
2	O Component to be Collected / (Refunded) in future years	(294,615)	-	-	(294,615)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (228,473)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (228,473)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 12,874,631	\$ -	\$ -	\$ 12,874,631
5	2011 Revenues	(12,826,044)	-	-	(12,826,044)
6	Other Adjustments - UAF in Excess of Tariff	(187,955)	-	114,616	(73,339)
7	Interest	-	-	-	-
8	Prior Orders O Component	-	5,312	-	5,312
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ (139,368)</u>	<u>\$ 5,312</u>	<u>\$ 114,616</u>	<u>\$ (19,440)</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ (367,841)</u>	<u>\$ 5,312</u>	<u>\$ 114,616</u>	<u>\$ (247,913)</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (73,226)	\$ -	\$ -	\$ (73,226)
12	O Component to be Collected / (Refunded) in future years	(294,615)	5,312	-	(289,303)
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	114,616	114,616
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (367,841)</u>	<u>\$ 5,312</u>	<u>\$ 114,616</u>	<u>\$ (247,913)</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D): IAWC Ex. 1.00SUPP
- Column (E): Col. (B) + (C) + (D)



Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
Waycinden  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (44,053)	\$ -	\$ -	\$ (44,053)
2	O Component to be Collected / (Refunded) in future years	(12,402)	-	-	(12,402)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (56,455)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,455)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 620,612	\$ -	\$ -	\$ 620,612
5	2011 Revenues	(615,175)	-	-	(615,175)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	2,902	-	2,902
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 5,437</u>	<u>\$ 2,902</u>	<u>\$ -</u>	<u>\$ 8,339</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ (51,018)</u>	<u>\$ 2,902</u>	<u>\$ -</u>	<u>\$ (48,116)</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (38,616)	\$ -	\$ -	\$ (38,616)
12	O Component to be Collected / (Refunded) in future years	(12,402)	2,902	-	(9,500)
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ (51,018)</u>	<u>\$ 2,902</u>	<u>\$ -</u>	<u>\$ (48,116)</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D):
- Column (E): Col. (B) + (C) + (D)



Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
South Beloit-Variable  
For the Year Ended December 31, 2011

Line No.	Description	As Filed Per Company	Prior Orders O Component	Adjustments	Per Staff
	(A)	(B)	(C)	(D)	(E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (2,288)	\$ -	\$ -	\$ (2,288)
2	O Component to be Collected / (Refunded) in future years	(183)	-	-	(183)
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (2,471)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,471)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 329,438	\$ -	\$ -	\$ 329,438
5	2011 Revenues	(322,208)	-	-	(322,208)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	(4)	-	(4)
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 7,230</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 7,226</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u><u>\$ 4,759</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,755</u></u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ 4,942	\$ -	\$ -	\$ 4,942
12	O Component to be Collected / (Refunded) in future years	(183)	(4)	-	(187)
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u><u>\$ 4,759</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,755</u></u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.2, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

**Illinois American Water Company  
 Purchased Sewer Surcharge Reconciliation  
 South Beloit-Variable  
 Staff Adjustment - Prior Years O Component and Interest Calculation**

Line No.	Description (A)	2009 (B)	2010 (C)	2011 (D)
<b><u>Docket No. 09-0151</u></b>				
1	O Component per Order	(183)		
2	Interest Rate	1.00%	0.50%	0.50%
3	% of Year	100%	100%	100%
4	Interest on O Component (2009 = Line 1 x Line 2 x Line 3) (2010-2011 = Line 6 x Line 2 x Line 3)	(2)	(1)	(1)
5	Amount (Collected) / Refunded in Reconciliation	-	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ (185)</u>	<u>\$ (186)</u>	\$ (187)
7	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)			<u>(183)</u>
8	Staff Adjustment (Line 6 - Line 7)			<u>\$ (4)</u>

Illinois American Water Company  
Purchased Water Surcharge Reconciliation  
South Beloit-Fixed  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	R Component as of 12/31/2010 per 2010 Reconciliation	\$ (729)	\$ (176)	\$ -	\$ (905)
2	O Component to be Collected / (Refunded) in future years	118	176	-	\$ 294
3	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (611)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (611)</u>
<u>Current Year (Over)/Under Recovery</u>					
4	2011 Costs	\$ 39,600	\$ -	\$ -	\$ 39,600
5	2011 Revenues	(38,953)	-	-	(38,953)
6	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
7	Interest	-	-	-	-
8	Prior Orders O Component	-	178	-	178
9	Current Year (Over)/Under Recovery (Sum of Lines 4 thru 8)	<u>\$ 647</u>	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 825</u>
10	Cumulative (Over)/Under Recovery at 12/31/11 (Line 3 + Line 9)	<u>\$ 36</u>	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 214</u>
<u>Disposition of Prior Years R and O Components</u>					
11	R Component to be Collected / (Refunded) in 2012	\$ (82)	\$ -	\$ -	\$ (82)
12	O Component to be Collected / (Refunded) in future years	118	178	-	296
13	2011 O Component to be Collected / (Refunded) (Line 10-11-12)	-	-	-	-
14	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 11+12+13)	<u>\$ 36</u>	<u>\$ 178</u>	<u>\$ -</u>	<u>\$ 214</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C): Sch. 2.2, p. 2
- Column (D):
- Column (E): Col. (B) + (C) + (D)

**Illinois American Water Company  
 Purchased Sewer Surcharge Reconciliation  
 South Beloit-Fixed  
 Staff Adjustment - Prior Years O Component and Interest Calculation**

Line No.	Description (A)	2009 (B)	2010 (C)	2011 (D)
<b><u>Docket No. 09-0151</u></b>				
1	O Component per Order	(19)		
2	Interest Rate	1.00%	0.50%	0.50%
3	% of Year	100%	100%	100%
4	Interest on O Component ( 2009 = Line 1 x Line 2 x Line 3) ( 2010-2011 = Line 6 x Line 2 x Line 3)	-	-	-
5	Amount (Collected) / Refunded in Reconciliation	-	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ (19)</u>	<u>\$ (19)</u>	<u>\$ (19)</u>
<b><u>Docket No. 10-0203</u></b>				
7	O Component per Order		137	
8	Interest Rate		0.50%	0.50%
9	% of Year		100%	100%
10	Interest on O Component ( 2010 = Line 7 x Line 8 x Line 9) ( 2011 = Line 12 x Line 8 x Line 9)		1	1
11	Amount (Collected) / Refunded in Reconciliation		-	-
12	Ending Balance - O Component + Interest (Line 7 + Line 10 + Line 11)		<u>\$ 138</u>	<u>\$ 138</u>
<b><u>Docket No. 11-0265</u></b>				
13	O Component per Order			176
14	Interest Rate			0.50%
15	% of Year			100%
16	Interest on O Component ( 2011 = Line 12 x Line 8 x Line 9)			1
17	Amount (Collected) / Refunded in Reconciliation			-
18	Ending Balance - O Component + Interest (Line 13 + Line 16 + Line 17)			<u>\$ 177</u>
19	Staff Cumulative O Component at 12/31/2011 (Line 6 + Line 12 + Line 18)			\$ 296
20	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)			<u>118</u>
21	Staff Adjustment (Line 19 - Line 20)			<u>\$ 178</u>

**Illinois American Water Company  
 Purchased Sewage Treatment Surcharge Reconciliation  
 Summary  
 For the Year Ended December 31, 2011**

Line No.	Description	As Filed Per Company	Prior Orders O Component	Adjustments	Per Staff
	(A)	(B)	(C)	(D)	(E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ 74,992	\$ -	\$ -	\$ 74,992
2	R Component as of 12/31/2010 per 2010 Reconciliation	48,693	-	-	48,693
3	O Component to be Collected / (Refunded) in future years	(27,241)	-	-	(27,241)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 96,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,444</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 869,116	\$ -	\$ -	\$ 869,116
6	2011 Revenues	(858,332)	-	-	(858,332)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	(31,535)	-	(31,535)
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 10,784</u>	<u>\$ (31,535)</u>	<u>\$ -</u>	<u>\$ (20,751)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 4 + Line 10)	<u>\$ 107,229</u>	<u>\$ (31,535)</u>	<u>\$ -</u>	<u>\$ 75,694</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ 22,535	\$ -	\$ -	\$ 22,535
13	R Component to be Collected / (Refunded) in 2012	111,935	-	-	111,935
14	O Component to be Collected / (Refunded) in future years	(27,241)	(31,535)	-	(58,776)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14+15)	<u>\$ 107,229</u>	<u>\$ (31,535)</u>	<u>\$ -</u>	<u>\$ 75,694</u>

O Component to be Collected / (Refunded) in future years:

Country Club	\$ (46,609)
Valley View	(10,373)
Rollins	-
Romeoville	(1,794)
	<u>\$ (58,776)</u>

Illinois American Water Company  
Purchased Sewage Treatment Surcharge Reconciliation  
Country Club  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ 74,992	\$ -	\$ -	\$ 74,992
2	R Component as of 12/31/2010 per 2010 Reconciliation	51,750	-	-	51,750
3	O Component to be Collected / (Refunded) in future years	(15,212)	-	-	\$ (15,212)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 111,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,530</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 236,457	\$ -	\$ -	\$ 236,457
6	2011 Revenues	(262,532)	-	-	(262,532)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	(31,397)	-	(31,397)
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (26,075)</u>	<u>\$ (31,397)</u>	<u>\$ -</u>	<u>\$ (57,472)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 4 + Line 10)	<u>\$ 85,456</u>	<u>\$ (31,397)</u>	<u>\$ -</u>	<u>\$ 54,059</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ 22,535	\$ -	\$ -	\$ 22,535
13	R Component to be Collected / (Refunded) in 2012	78,133	-	-	78,133
14	O Component to be Collected / (Refunded) in future years	(15,212)	(31,397)	-	(46,609)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14+15)	<u>\$ 85,456</u>	<u>\$ (31,397)</u>	<u>\$ -</u>	<u>\$ 54,059</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.4, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Sewage Treatment Surcharge Reconciliation  
Country Club  
Staff Adjustment - Prior Years O Component and Interest Calculation

Line No.	Description (A)	2006 (B)	2007 (C)	2008 (D)	2009 (E)	2010 (F)	2011 (G)
<b>Docket No. 06-0196</b>							
1	O Component per Order	\$ (959)					
2	Interest Rate	4.5%	5%	3.5%	1%	0.50%	0.50%
3	% of Year	100%	100%	100%	100%	100%	100%
4	Interest on O Component (2006 = Line 1 x Line 2 x Line 3) (2007 - 2011 = Line 6 x Line 2 x Line 3)	(43)	(50)	(37)	(11)	(6)	(6)
5	Amount (Collected) / Refunded in Reconciliation	-	-	-	-	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ (1,002)</u>	<u>\$ (1,052)</u>	<u>\$ (1,089)</u>	<u>\$ (1,100)</u>	<u>\$ (1,106)</u>	<u>\$ (1,112)</u>
<b>Docket No. 07-0195</b>							
7	O Component per Order		\$ (16)				
8	Interest Rate		5%	3.5%	1.00%	0.50%	0.50%
9	% of Year		100%	100%	100%	100%	100%
10	Interest on O Component (2007 = Line 7 x Line 8 x Line 9) (2008-2011 = Line 12 x Line 8 x Line 9)		(1)	(1)	-	-	-
11	Amount Refunded in Reconciliation		-	16	-	-	-
12	Ending Balance - O Component + Interest (Line 7 + Line 10 + Line 11)		<u>\$ (17)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>
<b>Docket No. 08-0218</b>							
13	O Component per Order			\$ 7,677			
14	Interest Rate			3.50%	1.00%	0.50%	0.50%
15	% of Year			100%	100%	100%	100%
16	Interest on O Component (2008 = Line 13 x Line 14 x Line 15) (2009-2011 = Line 18 x Line 14 x Line 15)			269	79	51	51
17	Amount (Collected) / Refunded in Reconciliation			-	2,160	-	-
18	Ending Balance - O Component + Interest (Line 13 + Line 16 + Line 17)			<u>\$ 7,946</u>	<u>\$ 10,185</u>	<u>\$ 10,236</u>	<u>\$ 10,287</u>
<b>Docket No. 09-0151</b>							
19	O Component per Order				(14,800)		
20	Interest Rate				1.00%	0.50%	0.50%
21	% of Year				100%	100%	100%
22	Interest on O Component (2009 = Line 19 x Line 20 x Line 21) (2010-2011 = Line 24 x Line 20 x Line 21)				(148)	(75)	(75)
23	Amount (Collected) / Refunded in Reconciliation				-	-	-
24	Ending Balance - O Component + Interest (Line 19 + Line 22 + Line 23)				<u>\$ (14,948)</u>	<u>\$ (15,023)</u>	<u>\$ (15,098)</u>
<b>Docket No. 10-0203</b>							
25	O Component per Order					(40,081)	
26	Interest Rate					1.00%	0.50%
27	% of Year					100%	100%
28	Interest on O Component (2010 = Line 25 x Line 26 x Line 27) (2011 = Line 29 x Line 26 x Line 27)					(401)	(202)
29	Amount (Collected) / Refunded in Reconciliation					-	-
30	Ending Balance - O Component + Interest (Line 25 + Line 28 + Line 29)					<u>\$ (40,482)</u>	<u>\$ (40,684)</u>
31	Staff Cumulative O Component at 12/31/2011 (Line 6 + Line 12 + Line 18 + Line 24 + Line 30)						\$ (46,609)
32	Company Cumulative O Component at 12/31/2011 (IAWC Exhibit 1.11R)						(15,212)
33	Staff Adjustment (Line 31 - Line 32)						<u>\$ (31,397)</u>

Illinois American Water Company  
Purchased Sewage Treatment Surcharge Reconciliation  
Valley View  
For the Year Ended December 31, 2011

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2010 per 2010 Reconciliation	(11,992)	-	-	(11,992)
3	O Component to be Collected / (Refunded) in future years	(10,311)	-	-	(10,311)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ (22,303)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,303)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 571,693	\$ -	\$ -	\$ 571,693
6	2011 Revenues	(535,439)	-	-	(535,439)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	(62)	-	(62)
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 36,254</u>	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 36,192</u>
11	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 4 + Line 10)	<u>\$ 13,951</u>	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 13,889</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2012	24,262	-	-	24,262
14	O Component to be Collected / (Refunded) in future years	(10,311)	(62)	-	(10,373)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14+15)	<u>\$ 13,951</u>	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 13,889</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.4, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)



**Illinois American Water Company**  
**Purchased Sewage Treatment Surcharge Reconciliation**  
**Rollins**  
**For the Year Ended December 31, 2011**

Line No.	Description (A)	As Filed Per Company (B)	Prior Orders O Component (C)	Adjustments (D)	Per Staff (E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2010 per 2010 Reconciliation	3,624	-	-	3,624
3	O Component to be Collected / (Refunded) in future years	-	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 3,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,624</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 23,387	\$ -	\$ -	\$ 23,387
6	2011 Revenues	(20,825)	-	-	(20,825)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 2,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,562</u>
11	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 4 + Line 10)	<u>\$ 6,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,187</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2012	6,187	-	-	6,187
14	O Component to be Collected / (Refunded) in future years	-	-	-	-
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14+15)	<u>\$ 6,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,187</u>

Sources:

- Column (B): IAWC Exhibit 1.11R
- Column (C):
- Column (D):
- Column (E): Col. (B) + (C) + (D)

Illinois American Water Company  
Purchased Sewage Treatment Surcharge Reconciliation  
Romeoville  
For the Year Ended December 31, 2011

Line No.	Description	As Filed Per Company	Prior Orders O Component	Adjustments	Per Staff
	(A)	(B)	(C)	(D)	(E)
<u>Balances to be Collected / (Refunded) from Prior Years</u>					
1	Unamortized Balance as of 12/31/2010 per 2010 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2010 per 2010 Reconciliation	5,311	-	-	5,311
3	O Component to be Collected / (Refunded) in future years	(1,718)	-	-	(1,718)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2)	<u>\$ 3,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,593</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2011 Costs	\$ 37,579	\$ -	\$ -	\$ 37,579
6	2011 Revenues	(39,536)	-	-	(39,536)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	(76)	-	(76)
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (1,957)</u>	<u>\$ (76)</u>	<u>\$ -</u>	<u>\$ (2,033)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 4 + Line 10)	<u>\$ 1,635</u>	<u>\$ (76)</u>	<u>\$ -</u>	<u>\$ 1,559</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2011	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2012	3,353	-	-	3,353
14	O Component to be Collected / (Refunded) in future years	(1,718)	(76)	-	(1,794)
15	2011 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2011 (Line 12+13+14+15)	<u>\$ 1,635</u>	<u>\$ (76)</u>	<u>\$ -</u>	<u>\$ 1,559</u>

Sources:

Column (B): IAWC Exhibit 1.11R  
Column (C): Sch. 2.4, p. 2  
Column (D):  
Column (E): Col. (B) + (C) + (D)

