

REVISED DIRECT TESTIMONY

of

MARY H. EVERSON

Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Illinois-American Water Company

Application for Approval of its Annual Reconciliation of Purchased Water and
Purchased Sewage Treatment Surcharges pursuant to 83 Ill. Adm. Code 655

Docket No. 13-0209

January 5, 2016

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SCHEDULES

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- Schedule 1.2R – Purchased Water Surcharge Reconciliation by Service Area
- Schedule 1.3R – Purchased Sewage Treatment Reconciliation Summary
- Schedule 1.4R – 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 By whom are you employed and in what capacity?**

6 A. I am employed as an Accountant in the Accounting Department of the
7 Financial Analysis Division of the Illinois Commerce Commission
8 (“Commission”).

9 **Q. Please describe your background and professional affiliations.**

10 A. I have a Bachelor of Science in Accounting from the University of Central
11 Florida. I am a Certified Public Accountant licensed to practice in the State
12 of Illinois. I joined the Staff of the Commission (“Staff”) in February 1999.
13 Prior to joining Staff, I was employed in industry as a financial analyst and
14 in government as an internal auditor.

15 **Q. What is the function of the Accounting Department of the**
16 **Commission?**

17 A. The Department’s function is to monitor the financial condition of public
18 utilities as part of the Commission’s responsibilities under Article IV of the
19 Public Utilities Act (220 ILCS 5/1-101, *et seq.*) (“Act”) and to provide
20 accounting expertise on matters before the Commission.

21 **Q. What are your responsibilities in this case?**

22 A. I have been assigned this case by the Manager of the Accounting
23 Department of the Commission. I am to review Illinois-American Water
24 Company's ("IAWC" or "Company") application for approval of the annual
25 reconciliation of purchased water and purchased sewage treatment
26 surcharges for 2012, analyze the underlying data and make
27 recommendations as appropriate.

28 **Q. Have you previously testified before this Commission?**

29 A. Yes, I have testified before the Commission on several occasions.

30 **Schedules**

31 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0R?**

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

33 Schedule 1.1R – Purchased Water Surcharge Reconciliation Summary

34 Schedule 1.2R – Purchased Water Surcharge Reconciliation by Service
35 Area

36 Schedule 1.3R – Purchased Sewage Treatment Surcharge Reconciliation
37 Summary

38 Schedule 1.4R – Purchased Sewage Treatment Surcharge Reconciliation
39 by Service Area

40 I have prepared a separate Schedule 1.2R for each water service area and
41 a separate Schedule 1.4R for each sewage treatment service area. The
42 schedules are numbered as follows for the water service areas:

43 1.2R AH for Alpine Heights;

44 1.2R CS for Chicago Suburban;

45 1.2R DC for DuPage County;

46 1.2R F for Fernway;

47 1.2R M for Moreland;
48 1.2R SW for Southwest Suburban;
49 1.2R W for Waycinden; and
50 1.2R SB for South Beloit.

51 For the Chicago Suburban (“CS”), DuPage County (“DC”) and South Beloit
52 (“SB”) water service areas, the charge is composed of both a variable and
53 a fixed component. For those service areas with an O Component (i.e., a
54 previous (Over)/Under recovery) from prior periods, the interest calculation
55 is presented on page 2 of the respective service area.

56 The purchased sewage treatment service area schedules are numbered as
57 follows:

58 1.4R CC for Country Club;
59 1.4R VV for Valley View;
60 1.4R RO for Rollins; and
61 1.4R RM for Romeoville.

62 **Purchased Water Surcharge Reconciliation**

63 **Q. Please explain Schedule 1.1R, Purchased Water Surcharge**
64 **Reconciliation.**

65 A. Schedule 1.1R is a summary of the reconciliations I propose for all of the
66 eight service areas in which a purchased water surcharge is administered.

67 **Q. Please explain Schedule 1.2R, Purchased Water Surcharge**
68 **Reconciliation (by service area).**

69 A. Schedules 1.2R present the reconciliations by separate service area that I
70 propose. Adjustments to individual service areas are detailed on this
71 schedule when applicable.

72 **Q. Do you have any adjustments to the purchased water surcharge**
73 **amounts submitted in IAWC's direct testimony?**

74 A. I have no adjustments to the current year costs or recoveries as filed by
75 IAWC. My schedules do include some changes to prior period reporting of
76 the purchased water reconciliations. These changes do not result in an O
77 Component; rather, these changes impact the Cumulative (Over)/Under
78 Recovery amounts that have accumulated throughout the time the
79 purchased water surcharge has been in effect.

80 **Purchased Sewage Treatment Surcharge Reconciliation**

81 **Q. Please explain Schedule 1.3R, Purchased Sewage Treatment**
82 **Surcharge Reconciliation.**

83 A. Schedule 1.3R summarizes the separate sewer surcharge reconciliations I
84 propose for all of the four service areas in which a purchased sewage
85 treatment surcharge is administered.

86 **Q. Please explain Schedule 1.4R, Purchased Sewage Treatment**
87 **Surcharge Reconciliation (by service area).**

88 A. Schedules 1.4R present my proposed sewage treatment reconciliations by
89 separate service area.

90 **Q. Do you have any adjustments to propose to the purchased sewage**
91 **treatment surcharge reconciliation amounts submitted in IAWC's**
92 **direct testimony?**

93 A. I have no adjustments to the current year costs or recoveries as filed by
94 IAWC. My schedules do include some changes to prior period reporting of
95 the purchased water reconciliations. These changes do not result in an O
96 Component; rather, these changes impact the Cumulative (Over)/Under
97 Recovery amounts that have accumulated throughout the time the
98 purchased sewer surcharge has been in effect.

99 **Conclusion**

100 **Q. What is your recommendation?**

101 A. I recommend that the Commission adopt the Purchased Water Surcharge
102 Reconciliations as presented on Schedule 1.1R, attached to this direct
103 testimony, and the Purchased Sewage Treatment Surcharge
104 Reconciliations as presented on Schedule 1.3R, attached to this direct
105 testimony. I further recommend that schedules 1.1R through 1.4R each be
106 attached as Appendices to the Commission's Order in this proceeding to
107 facilitate understanding and tracking of the details of each separate service
108 area.

109 **Q. Does this conclude your prepared revised direct testimony?**

110 A. Yes.

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Summary of Water Reconciliations
For the Year Ended December 31, 2012

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 12/31/2011 per 2011 Reconciliation	(4,601)	-	\$ -	\$ (4,601)
2	R Component as of 12/31/2011 per 2011 Reconciliation	(77,063)	(114,616)	-	(191,679)
3	O Component to be Collected / (Refunded) in future years	(271,006)	87,424	-	(183,582)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (352,670)</u>	<u>\$ (27,192)</u>	<u>\$ -</u>	<u>\$ (379,862)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 21,424,026	\$ -	\$ -	\$ 21,424,026
6	2012 Revenues	(21,006,646)	-	-	(21,006,646)
7	Other Adjustments - UAF in Excess of Tariff	(173,400)	-	-	(173,400)
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 243,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,980</u>
11	Cumulative (Over)/Under Recovery (Line 4 + Line 10)	<u>\$ (108,690)</u>	<u>\$ (27,192)</u>	<u>\$ -</u>	<u>\$ (135,881)</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(108,690)	(2,021)	-	(110,711)
14	O Component to be Collected / (Refunded) in future years	-	(25,171)	-	(25,171)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14 +15)	<u>\$ (108,690)</u>	<u>\$ (27,192)</u>	<u>\$ -</u>	<u>\$ (135,882)</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	(25,978)
Waycinden	-
South Beloit - Variable	(4)
South Beloit - Fixed	315
	<u>\$ (25,171)</u>

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Alpine Heights
For the Year Ended December 31, 2012

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	(1,082)	-	-	(1,082)
3	O Component to be Collected / (Refunded) in future years	-	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (1,082)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,082)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 70,491	\$ -	\$ -	\$ 70,491
6	2012 Revenues	(71,893)	-	-	(71,893)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (1,402)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,402)</u>
11	Cumulative (Over)/Under Recovery (Line 4 + Line 10)	<u><u>\$ (2,484)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,484)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(2,484)	-	-	(2,484)
14	O Component to be Collected / (Refunded) in future years	-	-	-	-
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14 +15)	<u><u>\$ (2,484)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,484)</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
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, 2012

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	26,156	-	-	26,156
3	O Component to be Collected / (Refunded) in future years	(31,765)	30,902	-	(863)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (5,609)</u>	<u>\$ 30,902</u>	<u>\$ -</u>	<u>\$ 25,293</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 1,163,965	\$ -	\$ -	\$ 1,163,965
6	2012 Revenues	(1,285,494)	-	-	(1,285,494)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (121,529)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (121,529)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u><u>\$ (127,138)</u></u>	<u><u>\$ 30,902</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (96,236)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2012	(127,138)	31,765	-	(95,373)
14	O Component to be Collected / (Refunded) in future years	-	(863)	-	(863)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ (127,138)</u></u>	<u><u>\$ 30,902</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (96,236)</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, p. 2
Column (D):
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company
Purchased Water Surcharge Reconciliation
South Beloit-Fixed
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	(82)	-	-	(82)
3	O Component to be Collected / (Refunded) in future years	(19)	315	-	296
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (101)</u>	<u>\$ 315</u>	<u>\$ -</u>	<u>\$ 214</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 39,600	\$ -	\$ -	\$ 39,600
6	2012 Revenues	(39,253)	-	-	(39,253)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ 246</u></u>	<u><u>\$ 315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 561</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	246	-	-	246
14	O Component to be Collected / (Refunded) in future years	-	315	-	315
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ 246</u></u>	<u><u>\$ 315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 561</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, p. 2
Column (D):
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Chicago Suburban-Fixed
For the Year Ended December 31, 2012

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	8,954	-	-	8,954
3	O Component to be Collected / (Refunded) in future years	31,765	(29,885)	-	1,880
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 40,719</u>	<u>\$ (29,885)</u>	<u>\$ -</u>	<u>\$ 10,834</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 892,142	\$ -	\$ -	\$ 892,142
6	2012 Revenues	(896,121)	-	-	(896,121)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (3,979)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,979)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u>\$ 36,740</u>	<u>\$ (29,885)</u>	<u>\$ -</u>	<u>\$ 6,855</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	36,740	(31,765)	-	4,975
14	O Component to be Collected / (Refunded) in future years	-	1,880	-	1,880
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u>\$ 36,740</u>	<u>\$ (29,885)</u>	<u>\$ -</u>	<u>\$ 6,855</u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, p. 2
Column (D):
Column (E): Col. (B) + (C) + (D)

Illinois American Water Company
Purchased Water Surcharge Reconciliation
DuPage County-Variable
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	(110,460)	-	-	(110,460)
3	O Component to be Collected / (Refunded) in future years	-	265	-	265
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (110,460)</u>	<u>\$ 265</u>	<u>\$ -</u>	<u>\$ (110,195)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 1,860,181	\$ -	\$ -	\$ 1,860,181
6	2012 Revenues	(1,761,704)	-	-	(1,761,704)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 98,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,477</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ (11,983)</u></u>	<u><u>\$ 265</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11,718)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(11,983)	-	-	(11,983)
14	O Component to be Collected / (Refunded) in future years	-	265	-	265
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ (11,983)</u></u>	<u><u>\$ 265</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11,718)</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, 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)	2012 (D)
<u>Docket No. 10-0203</u>				
1	O Component per Order	\$ 261		
2	Interest Rate	1.00%	0.50%	0.00%
3	% of Year	100%	100%	100%
4	Interest on O Component (2010 = Line 19 x Line 20 x Line 21) (2011-2012 = 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	265
7	Company Cumulative O Component at 12/31/2012 (IAWC Exhibit XXX)			-
8	Staff Adjustment (Line 6 - Line 7)			<u>\$ 265</u>

Illinois American Water Company
Purchased Water Surcharge Reconciliation
DuPage County-Fixed
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	6,161	-	-	6,161
3	O Component to be Collected / (Refunded) in future years	2,021	(1,924)	-	97
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 8,182</u>	<u>\$ (1,924)</u>	<u>\$ -</u>	<u>\$ 6,258</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 570,228	\$ -	\$ -	\$ 570,228
6	2012 Revenues	(570,375)	-	-	(570,375)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (147)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (147)</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u>\$ 8,035</u>	<u>\$ (1,924)</u>	<u>\$ -</u>	<u>\$ 6,111</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	8,035	(2,021)	-	6,014
14	O Component to be Collected / (Refunded) in future years	-	97	-	97
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u>\$ 8,035</u>	<u>\$ (1,924)</u>	<u>\$ -</u>	<u>\$ 6,111</u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, 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)	2012 (D)
<u>Docket No. 10-0203</u>				
1	O Component per Order	\$ 97		
2	Interest Rate	0.50%	0.50%	0.50%
3	% of Year	100%	100%	100%
4	Interest on O Component (2010 = Line 1 x Line 2 x Line 3) (2011-2012 = 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>	<u>\$ 97</u>	97
7	Company Cumulative O Component at 12/31/2012 (IAWC Exhibit 1.13)			<u>2,021</u>
8	Staff Adjustment (Line 6 - Line 7)			<u>\$ (1,924)</u>

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Fernway
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	(11,014)	-	-	(11,014)
3	O Component to be Collected / (Refunded) in future years	-	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (11,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,014)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 542,345	\$ -	\$ -	\$ 542,345
6	2012 Revenues	(545,805)	-	-	(545,805)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (3,460)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,460)</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ (14,474)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,474)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(14,474)	-	-	(14,474)
14	O Component to be Collected / (Refunded) in future years	-	-	-	-
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ (14,474)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14,474)</u></u>

Sources:

- Column (B): IAWC Exhibit 1.13
- Column (C):
- Column (D):
- Column (E): Col. (B) + (C) + (D)

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Moreland
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ (4,601)	\$ -	\$ -	\$ (4,601)
2	R Component as of 12/31/2011 per 2011 Reconciliation	(3,412)	-	-	(3,412)
3	O Component to be Collected / (Refunded) in future years	-	(883)	-	(883)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (8,013)</u>	<u>\$ (883)</u>	<u>\$ -</u>	<u>\$ (8,896)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 44,746	\$ -	\$ -	\$ 44,746
6	2012 Revenues	(32,804)	-	-	(32,804)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 11,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,942</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ 3,929</u></u>	<u><u>\$ (883)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,046</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	3,929	-	-	3,929
14	O Component to be Collected / (Refunded) in future years	-	(883)	-	(883)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ 3,929</u></u>	<u><u>\$ (883)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,046</u></u>

So Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, 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)	2012 (D)
<u>Docket No. 10-0203</u>				
1	O Component per Order	\$ (874)		
2	Interest Rate	0.50%	0.50%	0.00%
3	% of Year	100%	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) (2012 = Line 6 x Line 2x 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>	<u>\$ (883)</u>	\$ (883)

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Southwest Suburban
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	41,390	(114,616)	-	(73,226)
3	O Component to be Collected / (Refunded) in future years	(263,325)	88,638	-	(174,687)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (221,935)</u>	<u>\$ (25,978)</u>	<u>\$ -</u>	<u>\$ (247,913)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 15,211,720	\$ -	\$ -	\$ 15,211,720
6	2012 Revenues	(14,798,763)	-	-	(14,798,763)
7	Other Adjustments - UAF in Excess of Tariff	(173,400)	-	-	(173,400)
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 239,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,557</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u>\$ 17,622</u>	<u>\$ (25,978)</u>	<u>\$ -</u>	<u>\$ (8,356)</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	17,622	-	-	17,622
14	O Component to be Collected / (Refunded) in future years	-	(25,978)	-	(25,978)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u>\$ 17,622</u>	<u>\$ (25,978)</u>	<u>\$ -</u>	<u>\$ (8,356)</u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, p. 2
Column (D):
Column (E): Col. (B) + (C) + (D)

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

Line No.	Description (A)	2005 (B)	2006 (C)	2007 (D)	2008 (E)	2009 (F)	2010 (G)	2011 (H)	2012 (I)
Docket No. 05-0176									
1	O Component per Order	\$ (246,364)							
2	Interest Rate	2.5%	4.5%	5%	3.50%	1.00%	0.50%	0.50%	0.00%
3	% of Year	100%	25%	75%	100%	100%	100%	100%	100%
4	Interest on O Component (2005 = Line 1 x Line 2 x Line 3) (2006-2012 = Line 6 x Line 2 x Line 3)	(6,159)	(2,841)	(9,576)	(9,273)	(2,742)	(1,385)	(1,392)	-
5	\$253,755 Refunded - April 1, 2006	-	-	-	-	-	-	-	-
6	Ending Balance - O Component + Interest (Line 1 + Line 4 + Line 5)	<u>\$ (252,523)</u>	<u>\$ (255,364)</u>	<u>\$ (264,940)</u>	<u>\$ (274,213)</u>	<u>\$ (276,955)</u>	<u>\$ (278,340)</u>	<u>\$ (279,732)</u>	<u>\$ (279,732)</u>
Docket No. 09-0151									
7	O Component per Order					\$ (9,382)			
8	Interest Rate					1.00%	0.50%	0.50%	0.00%
9	% of Year					100%	100%	100%	100%
10	Interest on O Component (2009 = Line 7 x Line 8 x Line 9) (2010-2012 = Line 12 x Line 8 x Line 9)					(94)	(47)	(48)	-
11	Amount (Collected) / Refunded in Reconciliation					-	-	-	-
12	Ending Balance - O Component + Interest (Line 7 + Line 10 + Line 11)					<u>\$ (9,476)</u>	<u>\$ (9,523)</u>	<u>\$ (9,571)</u>	<u>\$ (9,571)</u>
13	Staff Cumulative O Component at 12/31/2012 (Line 6 + Line 12 + Line 18)								\$ (289,303)
14	Company Cumulative O Component at 12/31/2012 (IAWC Exhibit 1.13)								<u>(263,325)</u>
15	Staff Adjustment (Line 19 - Line 20)								<u>\$ (25,978)</u>

Illinois American Water Company
Purchased Water Surcharge Reconciliation
Waycinden
For the Year Ended December 31, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	(38,616)	-	-	(38,616)
3	O Component to be Collected / (Refunded) in future years	(9,500)	-	-	(9,500)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ (48,116)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,116)</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 691,784	\$ -	\$ -	\$ 691,784
6	2012 Revenues	(665,993)	-	-	(665,993)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ 25,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,791</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ (22,325)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (22,325)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(22,325)	-	-	(22,325)
14	O Component to be Collected / (Refunded) in future years	-	-	-	-
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ (22,325)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (22,325)</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C):
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, 2012

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 12/31/2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	4,942	-	-	4,942
3	O Component to be Collected / (Refunded) in future years	(183)	(4)	-	(187)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 4,759</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 4,755</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 336,824	\$ -	\$ -	\$ 336,824
6	2012 Revenues	(338,441)	-	-	(338,441)
7	Other Adjustments - UAF in Excess of Tariff	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (1,617)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,617)</u>
11	Cumulative (Over)/Under Recovery at 12/31/12 (Line 4 + Line 10)	<u><u>\$ 3,142</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,138</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	3,142	-	-	3,142
14	O Component to be Collected / (Refunded) in future years	-	(4)	-	(4)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ 3,142</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,138</u></u>

Sources:

Column (B): IAWC Exhibit 1.13
Column (C): Sch. 1.2R, 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)	2012 (D)
<u>Docket No. 09-0151</u>					
1	O Component per Order	(183)			
2	Interest Rate	1.00%	0.50%	0.50%	0.00%
3	% of Year	100%	100%	100%	100%
4	Interest on O Component (2009 = Line 1 x Line 2 x Line 3) (2010-2012 = 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>	<u>\$ (187)</u>	\$ (187)
7	Company Cumulative O Component at 12/31/2012 (IAWC Exhibit 1.13)				<u>(183)</u>
8	Staff Adjustment (Line 6 - Line 7)				<u>\$ (4)</u>

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)	2012 (E)
Docket No. 09-0151					
1	O Component per Order	(19)			
2	Interest Rate	1.00%	0.50%	0.50%	0.00%
3	% of Year	100%	100%	100%	100%
4	Interest on O Component (2009 = Line 1 x Line 2 x Line 3) (2010-2012 = 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>	<u>\$ (19)</u>
Docket No. 10-0203					
7	O Component per Order		137		
8	Interest Rate		0.50%	0.50%	0.00%
9	% of Year		100%	100%	100%
10	Interest on O Component (2010 = Line 7 x Line 8 x Line 9) (2011-2012 = 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>	<u>\$ 138</u>
Docket No. 11-0265					
13	O Component per Order			176	
14	Interest Rate			0.50%	0.00%
15	% of Year			100%	100%
16	Interest on O Component (2011-2012 = 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>	<u>\$ 177</u>
19					\$ 296
20	Company Cumulative O Component at 12/31/2012 (IAWC Exhibit 1.13) Staff Cumulative O Component at 12/31/2012 (Line 6 + Line 12 + Line 18)				<u>(19)</u>
21	Staff Adjustment (Line 19 - Line 20)				<u>\$ 315</u>

**Illinois American Water Company
Purchased Sewage Treatment Surcharge Reconciliation
Summary
For the Year Ended December 31, 2012**

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 12/31/2011 per 2011 Reconciliation	\$ 22,535	\$ -	\$ -	\$ 22,535
2	R Component as of 12/31/2011 per 2011 Reconciliation	111,935	-	-	111,935
3	O Component to be Collected / (Refunded) in future years	(27,003)	(31,773)	-	(58,776)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 107,467</u>	<u>\$ (31,773)</u>	<u>\$ -</u>	<u>\$ 75,694</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 595,982	\$ -	\$ -	\$ 595,982
6	2012 Revenues	(920,336)	-	-	(920,336)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (324,354)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (324,354)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u>\$ (216,887)</u>	<u>\$ (31,773)</u>	<u>\$ -</u>	<u>\$ (248,659)</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(216,887)	-	-	(216,887)
14	O Component to be Collected / (Refunded) in future years	-	(31,773)	-	(31,773)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u>\$ (216,887)</u>	<u>\$ (31,773)</u>	<u>\$ -</u>	<u>\$ (248,660)</u>

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

Country Club	\$ (30,524)
Valley View	(964)
Rollins	-
Romeoville	(285)
	<u>\$ (31,773)</u>

Illinois American Water Company
Purchased Sewage Treatment Surcharge Reconciliation
Country Club
For the Year Ended December 31, 2012

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 12/31/2011 per 2011 Reconciliation	\$ 22,535	\$ -	\$ -	\$ 22,535
2	R Component as of 12/31/2011 per 2011 Reconciliation	78,133	-	-	78,133
3	O Component to be Collected / (Refunded) in future years	(16,085)	(30,524)	-	(46,609)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 84,583</u>	<u>\$ (30,524)</u>	<u>\$ -</u>	<u>\$ 54,059</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 120,426	\$ -	\$ -	\$ 120,426
6	2012 Revenues	(249,626)	-	-	(249,626)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (129,200)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (129,200)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u>\$ (44,617)</u>	<u>\$ (30,524)</u>	<u>\$ -</u>	<u>\$ (75,141)</u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(44,617)	-	-	(44,617)
14	O Component to be Collected / (Refunded) in future years	-	(30,524)	-	(30,524)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u>\$ (44,617)</u>	<u>\$ (30,524)</u>	<u>\$ -</u>	<u>\$ (75,141)</u>

Sources:

- Column (B): IAWC Exhibit 1.13
- Column (C): Sch. 1.4R, 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)	2012 (H)
Docket No. 06-0196								
1	O Component per Order	\$ (959)						
2	Interest Rate	4.5%	5%	3.5%	1%	0.50%	0.50%	0.00%
3	% of Year	100%	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>	<u>\$ (1,112)</u>
Docket No. 07-0195								
7	O Component per Order		\$ (16)					
8	Interest Rate		5%	3.5%	1.00%	0.50%	0.50%	0.00%
9	% of Year		100%	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>	<u>\$ (2)</u>
Docket No. 08-0218								
13	O Component per Order			\$ 7,677				
14	Interest Rate			3.50%	1.00%	0.50%	0.50%	0.00%
15	% of Year			100%	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>	<u>\$ 10,287</u>
Docket No. 09-0151								
19	O Component per Order				(14,800)			
20	Interest Rate				1.00%	0.50%	0.50%	0.00%
21	% of Year				100%	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>	<u>\$ (15,098)</u>
Docket No. 10-0203								
25	O Component per Order					(40,081)		
26	Interest Rate					1.00%	0.50%	0.00%
27	% of Year					100%	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>	<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)							<u>(16,085)</u>
33	Staff Adjustment (Line 31 - Line 32)							<u>\$ (30,524)</u>

Illinois American Water Company
Purchased Sewage Treatment Surcharge Reconciliation
Valley View
For the Year Ended December 31, 2012

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	24,262	-	-	24,262
3	O Component to be Collected / (Refunded) in future years	(9,409)	(964)	-	(10,373)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	\$ 14,853	\$ (964)	\$ -	\$ 13,889
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 407,007	\$ -	\$ -	\$ 407,007
6	2012 Revenues	(595,429)	-	-	(595,429)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	\$ (188,422)	\$ -	\$ -	\$ (188,422)
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	\$ (173,569)	\$ (964)	\$ -	\$ (174,533)
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(173,569)	-	-	(173,569)
14	O Component to be Collected / (Refunded) in future years	-	(964)	-	(964)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	\$ (173,569)	\$ (964)	\$ -	\$ (174,533)

Sources:

Column (B): IAWC Exhibit 1.11R
Column (C): Sch. 1.4R, 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, 2012

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	6,187	-	-	6,187
3	O Component to be Collected / (Refunded) in future years	-	-	-	-
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 6,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,187</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 21,015	\$ -	\$ -	\$ 21,015
6	2012 Revenues	(22,868)	-	-	(22,868)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (1,853)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,853)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u><u>\$ 4,333</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,333</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	4,333	-	-	4,333
14	O Component to be Collected / (Refunded) in future years	-	-	-	-
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ 4,333</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,333</u></u>

Sources:

- Column (B): IAWC Exhibit 1.13
- 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, 2012**

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 12/31/2011 per 2011 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	R Component as of 12/31/2011 per 2011 Reconciliation	3,353	-	-	3,353
3	O Component to be Collected / (Refunded) in future years	(1,509)	(285)	-	(1,794)
4	Cumulative (Over)/Under Recovery from Prior Years (Line 1 + Line 2 + Line 3)	<u>\$ 1,844</u>	<u>\$ (285)</u>	<u>\$ -</u>	<u>\$ 1,559</u>
<u>Current Year (Over)/Under Recovery</u>					
5	2012 Costs	\$ 47,534	\$ -	\$ -	\$ 47,534
6	2012 Revenues	(52,413)	-	-	(52,413)
7	Other Adjustments	-	-	-	-
8	Interest	-	-	-	-
9	Prior Orders O Component	-	-	-	-
10	Current Year (Over)/Under Recovery (Sum of Lines 5 thru 9)	<u>\$ (4,879)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,879)</u>
11	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 4 + Line 10)	<u><u>\$ (3,034)</u></u>	<u><u>\$ (285)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,319)</u></u>
<u>Disposition of Prior Years R and O Components</u>					
12	Unamortized Balance as of 12/31/2012	\$ -	\$ -	\$ -	\$ -
13	R Component to be Collected / (Refunded) in 2013	(3,034)	-	-	(3,034)
14	O Component to be Collected / (Refunded) in future years	-	(285)	-	(285)
15	2012 O Component to be Collected / (Refunded) (Line 11-12-13-14)	-	-	-	-
16	Cumulative (Over)/Under Recovery at 12/31/2012 (Line 12+13+14+15)	<u><u>\$ (3,034)</u></u>	<u><u>\$ (285)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,319)</u></u>

Sources:

Column (B): IAWC Exhibit 1.11R
Column (C): Sch. 1.4R, p. 2
Column (D):
Column (E): Col. (B) + (C) + (D)

