Consumers Illinois Water Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Seven C. A. Turner Water Companies	Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	6.3 %	6.3 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A Rated Public Utility Bonds	0.9 (2)	0.9 (2)
3.	Adjusted Prospective Yield on A Rated Public Utility Bonds	7.2 %	7.2 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	0.0 (3)	0.0 (3)
5.	Adjusted Prospective Bond Yield	7.2	7.2
6.	Equity Risk Premium (4)	5.2	5.5
7.	Risk Premium Derived Common Equity Cost Rate	12.4 %	12.7 %

Notes:
(1) Derived in Note (3) on page 6 of this Schedule.
(2) The average yield spread of A rated public utility bonds over Aaa rated corporate bonds of 0.89%, rounded to 0.9% from page 4 of this Schedule.
(3) No adjustment necessary as the average Moody's bond rating of the proxy group is A2.
(4) From page 5 of this Schedule.

Consumers Illinois Water Company
Comparison of Bond Ratings and Business Profile for
the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance

	April 2003 Moody's Bond Rating		April 2003 Standard & Poor's Bond Rating		Standard & Poor's Business Position / Profile (2)
	Bond Rating	Numerical Weighting (1)	Bond Rating	Numerical Weighting (1)	
Proxy Group of Seven C. A. Turner Water Companies					
American States Water Co. (3)	A2	6	A+	5	3.0
Artesian Resources, Inc.	NR	--	NR	--	--
California Water Service Group (4)	A1	5	A+	5	3.0
Middlesex Water Company	A2	6	A+	5	3.0
Philadelphia Suburban Corp. (5)	NR	--	AA-	4	2.0
Southwest Water Company	NR	--	NR	--	--
York Water Company	NR	--	NR	--	--
Average	A2	5.7	A+	4.8	2.8
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance					
AGL Resources, Inc. (6)	A3	7	A-	7	2.0
American States Water Co. (3)	A2	6	A+	5	3.0
California Water Service Group (4)	A1	5	A+	5	3.0
Cleco Corporation (7)	A3	7	BBB+	8	5.0
DPL Inc. (8)	A2	6	BBB	9	4.0
Middlesex Water Company	A2	6	A+	5	3.0
Northwest Natural Gas Co.	A2	6	A	6	3.0
Philadelphia Suburban Corp. (5)	NR	--	AA-	4	2.0
Public Service Enterprise Group, Inc. (9)	A3	7	A-	7	3.0
Southern Company (10)	A1	5	A+	5	4.0
TECO Energy, Inc. (11)	A3	7	BBB	9	4.0
WPS Resources Corporation (12)	Aa1	2	AA-	4	4.0
York Water Company	NR	--	NR	--	--
Average	A2	5.8	A	6.2	3.3

Notes:
(1) From page 3 of this Schedule.
(2) From Standard & Poor's Utilities & Perspectives, Global Utilities Ratings Service, Vol. 12, No. 17, April 28, 2003.
(3) Ratings and business profile are those of Southern California Water Company
(4) Ratings and business profile are those of California Water Service Company.
(5) Ratings and business profile are those of Pennsylvania Suburban Water Company.
(6) Ratings and business profile are those of Atlanta Gas Light Company.
(7) Ratings and business profile are those of Cleco Power LLC.
(8) Ratings and business profile are those of Dayton Power & Light Company.
(9) Ratings and business profile are those of Public Service Electric & Gas Company.
(10) Ratings and business profile are a composite of those of Alabama Power Co., Georgia Power Co., Gulf Power Co., Mississippi Power Co., and Savannah Electric & Power Co.
(110 Ratings and business profile are those of Tampa Electric Company.
(12) Ratings and business profile are those of Wisconsin Public Service Company.

Source of Information: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Consumers Illinois Water Company
Numerical Assignment for
Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-

Moody's
Comparison of Interest Rate Trends
for the Twelve Months Ending March 2003 (1)

Years	Corporate Bonds Aaa Rated	Public Utility Bonds Aa Rated	Public Utility Bonds A Rated	Public Utility Bonds Baa Rated	Spread - Corporate v. Public Utility Bonds: Aa (Pub. Util.) over Aaa (Corp.)	Spread - Corporate v. Public Utility Bonds: A (Pub. Util.) over Aaa (Corp.)	Spread - Corporate v. Public Utility Bonds: Baa (Pub. Util.) over Aaa (Corp.)	Spread - Public Utility Bonds: A over Aa	Spread - Public Utility Bonds: Baa over A
April-02	6.76 %	7.38 %	7.57 %	8.26 %					
May-02	6.75	7.43	7.52	8.33					
June-02	6.64	7.33	7.42	8.26					
July-02	6.53	7.22	7.31	8.07					
August-02	6.37	7.10	7.17	7.74					
September-02	6.15	6.98	7.08	7.62					
October-02	6.33	7.07	7.23	8.00					
November-02	6.31	7.03	7.14	7.76					
December-02	6.21	6.94	7.07	7.61					
January-03	6.17	6.87	7.07	7.47					
February-03	5.95	6.66	6.93	7.17					
March-03	5.89	6.56	6.79	7.05					
Average of Last 3 Months	6.00 %	6.70 %	6.93 %	7.23 %	0.70 %	0.93 %	1.23 %	0.23 %	0.30 %
Average of Last 6 Months	6.14 %	6.86 %	7.04 %	7.51 %	0.72 %	0.90 %	1.37 %	0.18 %	0.47 %
Average of Last 12 Months	6.34 %	7.05 %	7.19 %	7.78 %	0.71 %	0.85 %	1.44 %	0.14 %	0.59 %
Average Spread (2)					0.71 %	0.89 %	1.35 %	0.18 %	0.45 %

Notes: (1) All yields are distributed yields.
(2) Equal weight has been given to the 12-month average, 6-month average, and 3-month average. This provides recognition of current conditions, but does not place undue emphasis thereon.

Source of Information: Mergent Bond Record

Consumers Illinois Water Company
Judgment of Equity Risk Premium for
the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance

Line No.		Proxy Group of Seven C. A. Turner Water Companies	Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
1.	Calculated equity risk premium based on the total market using the beta approach (1)	5.8 %	6.4 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	4.5	4.5
3.	Average equity risk premium	5.2 %	5.5 %

Notes: (1) *From page 6 of this Schedule.*
(2) From page 8 of this Schedule.

Consumers Illinois Water Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance

Line No.		Proxy Group of Seven C. A. Turner Water Companies	Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
1.	Arithmetic mean total return rate on the Standard & Poor's 500 Composite Index - 1926-2002 (1)	12.2 %	12.2 %
2.	Arithmetic mean total return rate on the Salomon Brothers Long-Term High-Grade Corporate Bond Index 1926-2002 (1)	(6.2)	(6.2)
3.	Historical Equity Risk Premium	6.0 %	6.0 %
4.	Forecasted 3-5 year Total Annual Market Return (2)	18.6 %	18.6 %
5.	Prospective Yield an Aaa Rated Corporate Bonds (3)	(6.3)	(6.3)
6.	Forecasted Equity Risk Premium	12.3 %	12.3 %
7.	Average of Historical and Forecasted Equity Risk Premium (4)	9.2 %	9.2 %
8.	Adjusted Value Line Beta (5)	0.63	0.70
9.	Beta Adjusted Equity Risk Premium	5.8 %	6.4 %

Notes:

(1) From Stocks, Bonds, Bills and Inflation - 2003 Yearbook Valuation Edition, Ibbotson Associates, Inc., Chicago, IL, 2003.

(2) From Note 1, page 4 of Schedule 13 of this Exhibit.

(3) Average forecast based upon six quarterly estimates of Aaa rated corporate bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated May 1, 2003 (see page 7 of this Schedule). The estimates are detailed below.

Second Quarter 2003	5.9 %
Third Quarter 2003	6.0
Fourth Quarter 2003	6.2
First Quarter 2004	6.4
Second Quarter 2004	6.6
Third Quarter 2004	6.7
Average	6.3 %

(4) Average of the Historical Equity Risk Premium of 6.0% from Line No. 3 and the Forecasted Equity Risk Premium of 12.3% from Line No. 6 ((6.0% + 12.3%) / 2 = 9.15%, rounded to 9.2%).

(5) From page 9 of this Schedule.

Consensus Forecasts Of U.S. Interest Rates And Key Assumptions[1]

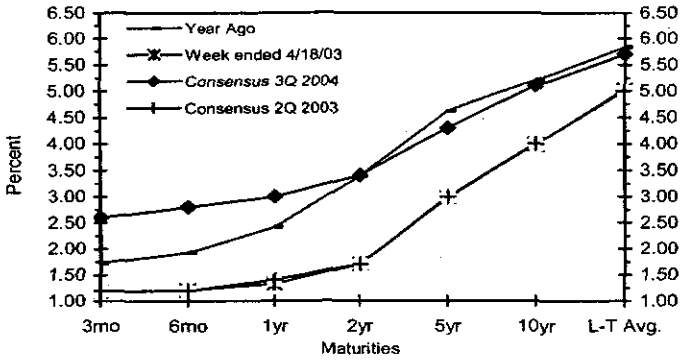
	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			Latest Q	2Q	3Q	4Q	1Q	2Q	3Q
Interest Rates	Apr. 18	Apr.11	Apr.4	Mar.28	Mar.	Feb.	Jan.	1Q 2003	2003	2003	2003	2004	2004	2004
Federal Funds Rate	1.27	1.23	1.28	1.22	1.25	1.26	1.24	1.25	1.2	1.2	1.4	1.7	2.1	2.6
Prime Rate	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.2	4.2	4.4	4.7	5.1	5.6
LIBOR, 3-mo.	1.32	1.29	1.28	1.29	1.29	1.34	1.37	1.33	1.3	1.4	1.6	1.9	2.4	2.8
Commercial Paper, 1-mo.	1.21	1.22	1.21	1.23	1.21	1.24	1.25	1.23	1.3	1.3	1.5	1.8	2.3	2.7
Treasury bill, 3-mo.	1.18	1.15	1.12	1.17	1.15	1.19	1.19	1.18	1.2	1.2	1.4	1.7	2.2	2.6
Treasury bill, 6-mo.	1.21	1.16	1.11	1.18	1.16	1.20	1.22	1.19	1.2	1.3	1.5	1.9	2.3	2.8
Treasury bill, 1 yr.	1.33	1.25	1.19	1.27	1.24	1.30	1.36	1.30	1.4	1.5	1.7	2.1	2.6	3.0
Treasury note, 2 yr.	1.70	1.61	1.54	1.65	1.57	1.63	1.74	1.65	1.7	1.9	2.2	2.6	3.0	3.4
Treasury note, 5 yr.	2.98	2.92	2.84	2.93	2.78	2.90	3.05	2.91	3.0	3.1	3.4	3.7	4.0	4.3
Treasury note, 10 yr.	3.99	3.97	3.90	3.96	3.81	3.90	4.05	3.92	4.0	4.1	4.4	4.6	4.8	5.1
Treasury Long-Term Avg.	5.02	5.04	4.99	5.04	4.90	4.93	5.07	4.97	5.0	5.1	5.3	5.4	5.6	5.7
Corporate Aaa bond	5.80	5.81	5.81	5.94	5.89	5.95	6.17	6.00	5.9	6.0	6.2	6.4	6.6	6.7
Corporate Baa bond	6.89	6.93	6.91	6.97	6.95	7.06	7.35	7.12	7.0	7.1	7.2	7.4	7.6	7.7
State & Local bonds	4.74	4.76	4.79	4.84	4.76	4.81	4.90	4.82	4.8	4.8	5.0	5.1	5.2	5.4
Home mortgage rate	5.82	5.85	5.79	5.91	5.75	5.84	5.92	5.84	5.9	6.0	6.2	6.4	6.6	6.8

	History								Consensus Forecasts-Quarterly Avg.					
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Key Assumptions	2001	2001	2001	2002	2002	2002	2002	2003	2003	2003	2003	2004	2004	2004
Major Currency Index	105.3	104.4	105.3	108.2	104.4	100.0	100.0	95.1	94.4	94.1	94.2	94.7	95.1	95.3
Real GDP	-1.6	-0.3	2.7	5.0	1.3	4.0	1.4	1.6	2.2	3.2	3.6	3.6	3.7	3.6
GDP Price Index	2.5	2.2	-0.5	1.3	1.2	1.0	1.6	2.5	1.8	1.6	1.7	1.9	2.0	2.0
Consumer Price Index	3.2	0.9	-0.7	1.4	3.4	2.2	2.0	3.8	2.2	1.9	2.1	2.3	2.3	2.3

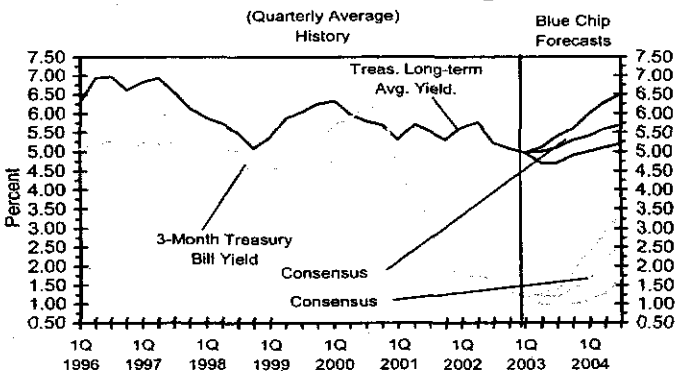
[1]Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Definitions reported here are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for the U.S. Federal Reserve Board's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). *Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).*

U.S. Treasury Yield Curve

Week ended April 18, 2003 and Year Ago vs.
2Q 2003 and 3Q 2004 Consensus forecasts

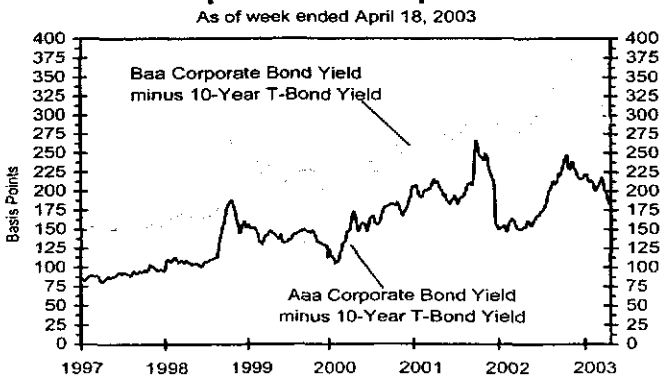


U.S. 3-Mo. T-Bills & L-T Avg. Yield



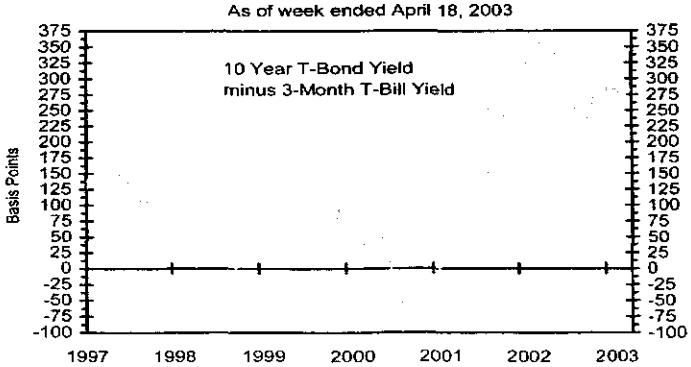
Corporate Bond Spreads

As of week ended April 18, 2003



U.S. Treasury Yield Curve

As of week ended April 18, 2003



Consumers Illinois Water Company
Derivation of Mean Equity Risk Premium Based on a Study
Using Holding Period Returns of Public Utilities

Line No.		Over A Rated Public Utility Bonds AUS Consultants - Utility Services Study (1)
		1
Time Period		1928-2001
1.	Arithmetic Mean Holding Period Returns (2): Standard & Poor's Public Utility Index	11.1 %
2.	Salomon Brothers Long-Term High-Grade Corporate Bond Index	(6.1)
3.	Equity Risk Premium	5.0
4.	Adjustment to reflect yield spread between A rated public utility bonds and bonds used in the study	(0.5) (3)
5.	Adjusted Equity Risk Premium	4.5 %

Notes: (1) S&P Public Utility Index and Long-Term Corporate Bonds (Salomon Brothers Long-Term High-Grade Corporate Bond Index year-by-year total returns 1928-2001, AUS Consultants - Utility Services, 2002.

(2) Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.

(3) Spread calculated as the difference in the arithmetic mean yields on A rated public utility bonds of 6.62% and Aaa and Aa rated corporate bonds of 6.15% used as a proxy for the Salomon Brothers Long-Term High-Grade Corporate Bond Index for the years 1928-2001, inclusive, 0.47%, rounded to 0.5%.

Consumers Illinois Water Company
Value Line Adjusted Betas for
the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance

	Value Line Adjusted Beta
Proxy Group of Seven C. A. Turner Water Companies	
American States Water Co.	0.60
Artesian Resources Corp.	NA
California Water Service Group	0.60
Middlesex Water Company	NA
Philadelphia Suburban Corp.	0.70
Southwest Water Company	NA
York Water Company	NA
Average	0.63
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance	
AGL Resources, Inc.	0.75
American States Water Co.	0.60
California Water Service Group	0.60
Cleco Corporation	0.85
DPL Inc.	0.80
Middlesex Water Company	NA
Northwest Natural Gas Co.	0.60
Philadelphia Suburban Corp.	0.70
Public Service Enterprise Group, Inc.	0.70
Southern Company	NMF
TECO Energy, Inc.	0.75
WPS Resources Corporation	0.65
York Water Company	NA
Average	0.7

NA = Not Available
NMF = No Meaningful Figure

Source of Information: Value Line Investment Survey, March 7, March 21, April 4, and May 2, 2003, Standard Edition

Consumers Illinois Water Company
of the Capital Asset Pricing Model for
the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance

Line No.		Proxy Group of Seven C. A. Turner Water Companies	Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
		Traditional Capital Asset Pricing Model	
1.	Risk-Free Rate (1)	5.4 %	5.4 %
2.	Average Company-Specific Market Premium (2)	6.4	7.1
3.	Capital Asset Pricing Model Derived Company Equity Cost Rate	11.8 %	12.5 %
		Empirical Capital Asset Pricing Model	
4.	Risk-Free Rate (1)	5.4 %	5.4 %
5.	Average Company-Specific Market Premium (3)	7.3	7.8
6.	Capital Asset Pricing Model Derived Company Equity Cost Rate	12.7 %	13.2 %
7.	Conclusion	12.3 %	12.9 %

Notes: (1) Developed in note 2 of page 3 of this Schedule.
(2) Developed on page 2 of this Schedule.
(3) Developed on page 3 of this Schedule.

Consumers Illinois Water Company
Indicated Common Equity Cost Rate Through Use
of the Capital Asset Pricing Model

	Value Line Adjusted Beta	Company-Specific Risk Premium Based on Market Premium of 10.1% (1)	CAPM Result Including Risk-Free Rate of 5.4% (2)
		Traditional Capital Asset Pricing Model (3)	
Proxy Group of Seven C. A. Turner Water Companies			
American States Water Co.	0.60	6.1 %	11.5 %
Artesian Resources Corp.	NA	NA	NA
California Water Service Group	0.60	6.1	11.5
Middlesex Water Company	NA	NA	NA
Philadelphia Suburban Corp.	0.70	7.1	12.5
Southwest Water Company	NA	NA	NA
York Water Company	NA	NA	NA
Average	0.63	6.4 %	11.8 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance			
AGL Resources, Inc.	0.75	7.6 %	13.0 %
American States Water Co.	0.60	6.1	11.5
California Water Service Group	0.60	6.1	11.5
Cleco Corporation	0.85	8.6	14.0
DPL Inc.	0.80	8.1	13.5
Middlesex Water Company	NA	NA	NA
Northwest Natural Gas Co.	0.60	6.1	11.5
Philadelphia Suburban Corp.	0.70	7.1	12.5
Public Service Enterprise Group, Inc.	0.70	7.1	12.5
Southern Company	NMF	NA	NA
TECO Energy, Inc.	0.75	7.6	13.0
WPS Resources Corporation	0.65	6.6	12.0
York Water Company	NA	NA	NA
Average	0.70	7.1 %	12.5 %

See page 4 for notes.

Consumers Illinois Water Company
Indicated Common Equity Cost Rate Through Use
of the Capital Asset Pricing Model

	Value Line Adjusted Beta	Company-Specific Risk Premium Based on Market Premium of 10.1% (1)	CAPM Result Including Risk-Free Rate of 5.4% (2)
		Empirical Capital Asset Pricing Model (5)	
Proxy Group of Seven C. A. Turner Water Companies			
American States Water Co.	0.60	7.1 %	12.5 %
Artesian Resources Corp.	NA	NA	NA
California Water Service Group	0.60	7.1	12.5
Middlesex Water Company	NA	NA	NA
Philadelphia Suburban Corp.	0.70	7.8	13.2
Southwest Water Company	NA	NA	NA
York Water Company	NA	NA	NA
Average	0.63	7.3 %	12.7 %
Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance			
AGL Resources, Inc.	0.75	8.2 %	13.6 %
American States Water Co.	0.60	7.1	12.5
California Water Service Group	0.60	7.1	12.5
Cleco Corporation	0.85	9.0	14.4
DPL Inc.	0.80	8.6	14.0
Middlesex Water Company	NA	NA	NA
Northwest Natural Gas Co.	0.60	7.1	11.5
Philadelphia Suburban Corp.	0.70	7.8	13.2
Public Service Enterprise Group, Inc.	0.70	7.8	13.2
Southern Company	NMF	NA	NA
TECO Energy, Inc.	0.75	8.2	13.6
WPS Resources Corporation	0.65	7.4	12.8
York Water Company	NA	NA	NA
Average	0.70	7.8 %	13.1 %

See page 4 for notes.

Consumers Illinois Water Company
Development of the Market-Required Rate of Return on Common Equity Using
the Capital Asset Pricing Model for
the Proxy Group of Seven C. A. Turner Water Companies and
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance
Adjusted to Reflect a Forecasted Risk-Free Rate and Market Return

Notes:

(1) From the twelve previous month-end May. '02 – Apr. '03), as well as a recently available (May 2, 2003), Value Line Summary & Index, a forecasted 3-5 year total annual market return of 18.6% can be derived by averaging the 12-month, 6-month, 3-month and spot forecasted total 3-5 year total appreciation, converting it into an annual market appreciation and adding the Value Line average forecasted annual dividend yield.

The 3-5 year average total market appreciation of 84% produces a four-year average annual return of 16.47% ($(1.84^{.25}) - 1$). When the average annual forecasted dividend yield of 2.15% is added, a total average market return of 18.62% (2.15% + 16.47%), rounded to 18.6%, is derived.

The 12-month, 6-month, 3-month and spot forecasted total market return of 18.6% minus the risk-free rate of 5.4% (developed in Note 2) is 13.2% (18.6% - 5.4%). The Ibbotson Associates calculated market premium of 7.0% for the period 1926-2002 results from a total market return of 12.2% less the average income return on long-term U.S. Government Securities of 5.2% (12.2% - 5.2% = 7.0%). This is then averaged with the 13.2% Value Line market premium resulting in a 10.1%, market premium. The 10.1% market premium is then multiplied by the beta in column 1 of page 2 of this Schedule.

(2) Average forecast based upon six quarterly estimates of long-term Treasury Bond yields per the consensus of nearly 50 economists reported in the Blue Chip Financial Forecasts dated May 1, 2003 (see page 7 of Schedule 13 of this Exhibit). The estimates are detailed below:

	Long-Term Treasury Bond Yield
Second Quarter 2003	5.0%
Third Quarter 2003	5.1
Fourth Quarter 2003	5.3
First Quarter 2004	5.4
Second Quarter 2004	5.6
Third Quarter 2004	5.7
Average	5.4%

(3) The traditional Capital Asset Pricing Model (CAPM) is applied using the following formula:

$R_S = R_F + \beta (R_M - R_F)$

Where R_S = Return rate of common stock
R_F = Risk Free Rate
β = Value Line Adjusted Beta
R_M = Return on the market as a whole

(4) The empirical CAPM is applied using the following formula:

$R_S = R_F + .25 (R_M - R_F) + .75 \beta (R_M - R_F)$

Where R_S = Return rate of common stock
R_F = Risk-Free Rate
β = Value Line Adjusted Beta
R_M = Return on the market as a whole

NA = Not Available
NMF = No Meaningful Figure

Source of Information: Value Line Summary & Index
Blue Chip Financial Forecasts, May 2, 2003
Value Line Investment Survey, March 7, March 21, April 4, and May 2, 2003, Standard Edition
Stocks, Bonds, Bills and Inflation – Valuation Edition 2003 Yearbook,
Ibbotson Associates, Inc., Chicago, IL

Consumers Illinois Water Company
Comparable Earnings Analysis
for a Proxy Group of Ninety-Six Non-Utility Companies Comparable to
the Proxy Group of Seven C. A. Turner Water Companies (1)

Proxy Group of Ninety-Six Non-Utility Companies Comparable to the Proxy Group of Seven C. A. Turner Water Companies (1)	Adj. Beta	Unadj. Beta	Residual Standard Error	Standard Deviation of Beta	Rate of Return on Net Worth 1998	1999	2000	2001	2002	5-year Average (2) Percent	Student's T-Test	5-Year Projected (3) Percent	Student's T-Test
21st Century Ins. Group	0.80	0.66	4.0288	0.0989	12.9 %	12.1 %	1.8 %	3.7 %	7.4 %	7.6 %	(0.93)	13.5 %	(0.33)
ABM Industries Inc.	0.75	0.59	4.2930	0.1054	13.9	14.0	13.7	12.5	12.1	13.2	(0.36)	15.5	(0.04)
Abbott Labs.	0.85	0.70	4.1194	0.1011	40.8	34.7	32.5	32.5	30.4	34.2	1.78	27.5	1.67
Alliant Techsystems	0.55	0.28	4.2350	0.1040	57.0	56.1	34.2	15.5	16.5 E	36.3 (4)	2.00	20.0	0.60
Ameron Int'l	0.80	0.62	4.4946	0.1103	9.7	12.0	13.5	13.6	13.2	12.4	(0.44)	10.5	(0.76)
Annaly Mortgage Mgmt.	0.70	0.52	4.0443	0.0993	12.3	17.6	12.2	13.8	20.3	15.2	(0.15)	16.5	0.10
Applied Ind'l Techn.	0.65	0.41	4.4788	0.1099	10.2	6.8	10.4	9.0	4.9	8.3	(0.86)	11.0	(0.69)
Archer Daniels Midl'd	0.65	0.43	3.9185	0.0962	6.8	4.5	4.9	6.1	6.8	5.8	(1.11)	9.0	(0.97)
Arrow Int'l	0.55	0.26	4.7171	0.1158	16.3	15.8	17.0	14.3	13.1	15.3	(0.14)	11.5	(0.81)
Banta Corp.	0.70	0.52	3.7234	0.0914	12.9	15.4	15.8	14.2	13.3	14.3	(0.24)	11.0	(0.69)
Bard (C.R.)	0.80	0.66	3.9623	0.0973	16.9	20.5	20.4	18.2	20.1	19.2	0.26	20.0	0.60
Barnes Group	0.80	0.66	4.3845	0.1076	22.4	15.6	17.7	9.6	13.0	15.7	(0.10)	14.0	(0.26)
Baxter Int'l Inc.	0.70	0.51	4.4855	0.1101	25.7	23.3	34.4	28.3	34.5 E	29.2	1.28	26.5	1.53
Beckman Coulter	0.60	0.36	4.3811	0.1075	35.2	46.5	36.5	27.3	24.0 E	33.8	1.76	14.5	(0.19)
Becton Dickinson	0.75	0.61	4.5697	0.1122	21.2	21.8	20.1	18.8	18.3	20.2	0.36	16.0	0.03
Berry Petroleum 'A'	0.65	0.42	4.3000	0.1056	4.6	15.5	25.6	14.3	17.5	15.5	(0.12)	12.5	(0.47)
Bob Evans Farms	0.75	0.60	4.2986	0.1055	12.2	12.3	11.1	12.5	13.0 E	12.2	(0.46)	12.5	(0.47)
Burlington Resources	0.85	0.72	4.7444	0.1165	2.8	5.1	16.7	19.3	10.5	10.9	(0.59)	15.0	(0.11)
CLARCOR Inc.	0.75	0.60	3.8867	0.0954	17.2	16.8	16.6	15.3	14.8	16.1	(0.06)	13.5	(0.33)
Casey's Gen'l Stores	0.70	0.53	4.7352	0.1162	13.3	12.8	10.3	9.3	11.0 E	11.3	(0.55)	12.0	(0.54)
Centex Construction	0.80	0.64	4.4033	0.1081	27.8	31.8	15.1	9.3	9.0 E	18.6	0.19	10.5	(0.76)
Chesapeake Corp.	0.85	0.73	4.4313	0.1088	9.7	8.9	0.5	2.4	4.8	4.9	(1.20)	8.5	(1.04)
Church & Dwight	0.55	0.28	4.6633	0.1145	15.9	18.6	20.9	19.1	19.0	18.7	0.20	14.0	(0.28)
Cincinnati Financial	0.85	0.71	3.8578	0.0947	4.3	4.7	2.0	3.2	5.4	3.8	(1.31)	8.0	(1.11)
Coca-Cola	0.70	0.49	4.1280	0.1013	42.0	34.0	39.4	35.0	36.5 E	37.4 (4)	2.11	31.0 (4)	2.17
Commercial Metals	0.85	0.72	3.9590	0.0972	11.2	11.3	11.0	5.6	8.1	9.4	(0.74)	9.0	(0.97)
ConAgra Foods	0.65	0.40	4.1265	0.1013	22.6	23.9	27.0	17.1	18.2	21.8	0.52	19.5	0.53
Coors (Adolph) 'B'	0.60	0.39	4.7891	0.1176	10.2	11.4	12.3	12.6	16.0 E	12.5	(0.43)	13.0	(0.40)
Corn Products Int'l	0.70	0.49	4.6287	0.1136	4.1	7.5	8.4	6.7	6.5 E	6.2	(1.07)	10.0	(0.83)
Crescent Real Est.	0.85	0.72	3.7207	0.0913	7.6	9.0	8.3	7.2	4.9	7.4	(0.95)	11.5	(0.81)
Curtiss-Wright	0.65	0.41	3.8952	0.0956	12.7	12.3	13.1	11.6	10.1	12.0	(0.46)	12.0	(0.54)
Darden Restaurants	0.80	0.69	4.6708	0.1147	10.0	14.0	18.0	19.0	20.9	16.4	(0.03)	19.5	0.53
Dentsply Int'l	0.65	0.40	4.2518	0.1044	19.4	19.2	19.4	18.0	17.5 E	18.7	0.20	16.5	0.10
Ferro Corp.	0.80	0.66	3.8790	0.0952	24.5	24.6	23.7	13.0	9.3	19.0	0.23	18.0	0.31
Gen'l Dynamics	0.70	0.52	4.1437	0.1017	16.4	22.5	23.6	20.8	19.0 E	20.5	0.39	19.0	0.46
Gillette	0.65	0.44	4.5262	0.1111	31.4	41.2	65.0	48.9	53.5	48.0 (4)	3.19	31.5 (4)	2.24
Glatfelter	0.80	0.63	4.6095	0.1132	12.2	11.6	12.4	13.2	10.6	12.0	(0.48)	14.0	(0.26)
Haemonetics Corp.	0.80	0.64	4.4741	0.1098	9.5	12.2	13.5	14.7	12.0 E	12.4	(0.44)	13.5	(0.33)
Harland (John H.)	0.75	0.60	4.5345	0.1113	14.2	25.3	16.7	19.3	22.4	19.6	0.30	19.0	0.46
Harte-Hanks	0.85	0.72	3.9580	0.0972	11.6	12.6	14.9	14.4	17.1	14.1	(0.27)	15.5	(0.04)
Hillenbrand Inds.	0.80	0.65	4.3725	0.1073	19.3	17.7	18.7	17.7	19.8	18.6	0.19	17.5	0.24
IHOP Corp.	0.85	0.74	4.3355	0.1064	13.9	14.2	13.8	12.9	11.2	13.2	(0.36)	11.0	(0.69)
Int'l Aluminum	0.45	0.14	3.8855	0.0954	8.9	8.0	1.0	3.7	0.9	4.5	(1.24)	8.0	(1.11)
Int'l Flavors & Frag.	0.75	0.56	4.0174	0.0986	21.6	22.0	23.7	25.8	28.5 E	24.3	0.78	18.5	0.39
Invacare Corp.	0.80	0.65	4.4700	0.1097	16.3	15.8	15.1	15.8	13.5	15.3	(0.14)	12.0	(0.54)
Kellogg	0.55	0.25	3.9845	0.0973	61.7	74.5	72.6	61.1	79.6	69.9 (4)	5.43	52.5 (4)	5.24
Kellwood Co.	0.85	0.73	4.8058	0.1180	13.4	9.2	14.1	7.8	9.5 E	10.8	(0.60)	12.0	(0.54)
Kirby Corp.	0.85	0.70	4.0622	0.0997	15.9	10.4	13.0	13.2	12.0 E	12.9	(0.38)	12.0	(0.54)
Lancaster Colony	0.75	0.58	4.3038	0.1057	23.4	22.9	24.6	19.6	16.6	21.4	0.48	16.5	0.10
Lance Inc.	0.55	0.28	3.8774	0.0952	14.8	13.7	12.6	13.4	10.5 E	13.0	(0.38)	15.0	(0.11)
Lawson Products	0.55	0.27	3.7484	0.0920	13.6	15.9	16.3	8.7	8.0 E	12.5	(0.43)	13.5	(0.33)
Libbey Inc.	0.65	0.39	4.3257	0.1062	39.8	47.3	35.2	23.8	21.4	33.5	1.71	18.5	0.39
Lincoln Elec Hldgs.	0.75	0.61	4.7197	0.1159	19.1	20.7	19.3	16.8	17.2	18.6	0.19	20.0	0.60
Lockheed Martin	0.55	0.26	4.5029	0.1105	19.3	9.0	6.0	10.8	16.0	12.6	(0.42)	16.5	0.38
Longs Drug Stores	0.75	0.59	4.6284	0.1136	9.9	9.8	8.4	6.7	5.0	8.0	(0.89)	8.5	(1.04)
Marathon Oil Corp.	0.80	0.69	4.2828	0.1051	7.4	9.0	27.0	28.7	11.0 E	16.2	(0.05)	13.0	(0.40)
Marcus Corp.	0.80	0.62	4.7002	0.1154	10.2	7.4	6.5	3.9	6.3	6.9	(1.00)	9.0	(1.11)
Matthews Int'l	0.55	0.26	4.3191	0.1060	21.6	21.8	22.0	21.0	21.1	21.5	0.49	12.5	(0.47)

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Consumers Illinois Water Company
Comparable Earnings Analysis
for a Proxy Group of Ninety-Six Non-Utility Companies Comparable to
the Proxy Group of Seven C. A. Turner Water Companies (1)

Proxy Group of Ninety-Six Non-Utility Companies Comparable to the Proxy Group of Seven C. A. Turner Water Companies (1)	Adj. Beta	Unadj. Beta	Residual Standard Error	Standard Deviation of Beta	Rate of Return on Net Worth 1998	1999	2000	2001	2002	5-year Average (2) Percent	5-year Average (2) Student's T-Test	5-Year Projected (3) Percent	5-Year Projected (3) Student's T-Test
McClatchy Co.	0.80	0.66	3.8007	0.0933	7.6	9.4	9.3	6.3	11.5 E	8.8	(0.81)	11.0	(0.69)
Minerals Techn.	0.80	0.69	4.0580	0.0996	11.7	12.8	12.6	10.2	9.1	11.3	(0.55)	11.5	(0.61)
Murphy Oil Corp.	0.65	0.72	4.1054	0.1008	4.5	9.4	24.3	17.6	8.4	12.4	(0.44)	12.0	(0.54)
Newell Rubbermaid	0.85	0.72	4.7830	0.1174	16.7	17.2	18.5	13.1	20.5	17.2	0.05	19.5	0.53
Northrop Grumman	0.60	0.39	4.4427	0.1091	11.0	14.8	15.9	5.5	4.9	10.4	(0.64)	11.0	(0.69)
Occidental Petroleum	0.80	0.69	3.7936	0.0931	3.2	7.3	27.8	23.6	16.0 E	15.6	(0.11)	13.0	(0.40)
Oxford Inds.	0.80	0.69	4.2335	0.1039	15.4	17.1	14.3	9.1	8.0	12.4	(0.44)	12.0	(0.54)
PepsiAmericas Inc.	0.75	0.59	4.3190	0.1060	19.1	6.2	5.8	6.3	9.0 E	9.3	(0.76)	6.5	(1.33)
PepsiCo Inc.	0.65	0.46	3.8798	0.0952	27.5	26.8	30.1	34.6	35.5 E	30.9	1.45	39.5 (4)	3.39
Procter & Gamble	0.60	0.35	4.5773	0.1124	30.9	34.4	34.4	36.6	36.9	34.6	1.83	27.5	1.67
Quaker Chemical	0.75	0.60	3.8801	0.0952	16.2	19.0	20.2	16.8	16.0 E	17.6	0.09	22.5	0.96
RPM Int'l	0.80	0.66	4.6561	0.1143	15.5	12.7	12.2	9.8	11.8	12.4	(0.44)	12.0	(0.54)
Raicorp Holdings	0.65	0.41	4.1730	0.1024	10.4	11.2	10.8	9.9	12.3	10.9	(0.59)	12.0	(0.54)
Reynolds & Reynolds	0.80	0.66	4.8121	0.1181	28.1	26.6	22.5	20.9	25.4	24.7	0.82	34.0	2.60
Riviana Foods	0.50	0.20	4.1423	0.1017	16.4	18.6	18.6	14.4	15.3	16.7	0.00	15.0	(0.11)
Rollins Inc.	0.75	0.61	3.8751	0.0951	4.0	10.0	12.2	19.6	29.9	15.2	(0.15)	20.5 (4)	0.67
Ruddick Corp.	0.70	0.51	4.2290	0.1038	11.4	11.4	10.8	10.8	12.3	11.3	(0.55)	11.5	(0.61)
Ryan's Family	0.75	0.55	4.5544	0.1118	14.4	14.7	14.9	14.2	15.7	14.8	(0.19)	13.5	(0.33)
SUPERVALU INC.	0.60	0.65	4.7035	0.1155	14.7	12.7	13.2	12.6	13.0 E	13.2	(0.36)	13.5	(0.33)
Schulman (A.)	0.60	0.37	4.7611	0.1169	14.2	13.4	11.7	3.9	9.0	10.4	(0.64)	12.5	(0.47)
Selective Ins. Group	0.75	0.55	3.9875	0.0979	8.8	9.4	4.6	4.5	6.0 E	6.7	(1.02)	10.5	(0.76)
ServiceMaster Co.	0.75	0.56	4.4438	0.1091	19.9	18.6	15.9	9.4	13.5 E	15.5	(0.12)	16.5	0.10
Sigma-Aldrich	0.75	0.58	4.5884	0.1126	13.7	11.8	16.2	17.4	14.7	14.8	(0.18)	16.0	0.31
Smucker (J.M.)	0.60	0.39	3.8836	0.0953	11.6	11.4	13.4	12.2	8.5 E	11.4	(0.54)	9.5	(0.90)
Standard Register	0.80	0.64	4.5738	0.1123	11.4	10.3	7.4	6.7	11.0	9.4	(0.74)	15.5	(0.04)
Standex Int'l	0.75	0.58	4.1687	0.1023	19.3	18.9	18.5	14.5	11.4	16.5	(0.02)	17.0	0.17
Steak n Shake	0.70	0.51	4.7149	0.1157	17.1	14.6	14.7	13.1	13.8	14.7	(0.20)	13.0	(0.40)
Stryker Corp.	0.75	0.56	4.8052	0.1180	23.0	23.9	25.9	25.7	23.1	24.3	0.78	26.0	1.46
Tecumseh Products 'A'	0.70	0.54	4.2635	0.1047	9.8	13.1	6.6	4.4	5.5	7.9	(0.90)	9.5	(0.90)
Tennant Co.	0.65	0.44	3.8181	0.0937	19.3	17.7	18.2	7.8	8.0	14.2	(0.26)	15.5	(0.04)
Thomas Inds.	0.75	0.60	4.4202	0.1085	12.9	12.5	13.5	11.9	10.4	12.2	(0.46)	10.5	(0.76)
Thomburg Mtg.	0.75	0.55	4.5342	0.1113	7.3	8.2	9.2	11.0	14.4	10.0	(0.68)	15.0	(0.11)
Toro Co.	0.85	0.73	3.7808	0.0928	1.6	12.5	14.3	14.8	17.4	12.1	(0.47)	15.0	(0.11)
Universal Corp.	0.65	0.40	4.0155	0.0986	23.8	23.6	23.7	21.4	18.1	22.1	0.55	18.0	0.31
Valspar Corp.	0.85	0.72	4.0554	0.0996	21.2	20.9	19.8	7.9	16.3	17.2	0.05	13.5	(0.33)
Varian Medical Sys.	0.80	0.68	4.5718	0.1283	13.2	4.5	19.6	17.2	19.8	14.9	(0.18)	23.0	1.03
WD-40 Co.	0.55	0.25	4.0863	0.1003	39.8	39.3	38.9	30.6	30.5	35.8	1.85	22.0	0.89
Wendy's Int'l	0.60	0.38	4.2679	0.1048	13.9	15.6	16.1	18.8	17.5 E	16.4	(0.03)	15.5	(0.04)
Average for the Non-Utility Group	0.72	0.54	4.2868	0.1054									
Average for the Proxy Group of Seven C. A. Turner Water Companies	0.63	0.43	4.2528 (10)	0.1044									
Mean										15.3%		14.6%	
Conclusion (6)											15.0% (6)		
Conservative Mean (7)										13.6%		13.5%	
Conservative Conclusion (8)											13.6% (8)		

See pages 5 and 6 for notes.

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Consumers Illinois Water Company
Comparable Earnings Analysis
for a Proxy Group of Seventy-Five Non-Utility Companies Comparable to
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance (9)

Proxy Group of Seventy-Five Non-Utility Companies Comparable to the Proxy Group of Thirteen Utilities Selected on the Basis Least Relative Distance (9)	Adj. Beta	Unadj. Beta	Residual Standard Error	Standard Deviation of Beta	Rate of Return on Net Worth 1998	1999	2000	2001	2002	5-year Average (2) Percent	Student's T-Test	5-Year Projected (3) Percent	Student's T-Test
21st Century Ins. Group	0.80	0.66	4.0288	0.0989	12.9 %	12.1 %	1.8 %	3.7 %	7.4 %	7.6 %	(0.96)	13.5 %	(0.44)
ABM Industries Inc.	0.75	0.59	4.2930	0.1054	13.9	14.0	13.7	12.5	12.1	13.2	(0.44)	15.5	(0.20)
Abbott Labs.	0.85	0.70	4.1194	0.1011	40.8	34.7	32.5	32.5	30.4	34.2	1.52	27.5	1.23
Albemarle Corp.	0.90	0.78	3.9938	0.0980	18.8	16.6	17.2	11.7	12.5 E	16.4	(0.23)	15.5	(0.20)
Alexander & Baldwin	0.80	0.64	3.5606	0.0874	8.6	10.8	11.3	9.5	5.4	9.3	(0.80)	13.0	(0.50)
Alliant Techsystems	0.55	0.28	4.2350	0.1040	57.0	56.1	34.2	15.5	18.5 E	36.3	1.72	20.0	0.33
Anheuser-Busch	0.60	0.34	3.4644	0.0850	29.3	35.8	37.6	42.0	54.5 E	39.8 (4)	2.05	37.5 (4)	2.42
Annaly Mortgage Mgmt.	0.70	0.52	4.0443	0.0993	12.3	17.6	12.2	13.8	20.3	15.2	(0.25)	16.5	(0.08)
Archer Daniels Mid'd.	0.65	0.43	3.9185	0.0962	6.8	4.5	4.9	6.1	6.8	5.8	(1.13)	9.0	(0.98)
Banta Corp.	0.70	0.52	3.7234	0.0914	12.9	15.4	15.8	14.2	13.3	14.3	(0.34)	11.0	(0.74)
Bard (C.R.)	0.80	0.66	3.9623	0.0973	16.9	20.5	20.4	18.2	20.1	19.2	0.12	20.0	0.33
Berry Petroleum 'A'	0.65	0.42	4.3000	0.1056	4.6	15.5	25.6	14.3	17.5	15.5	(0.22)	12.5	(0.56)
Bob Evans Farms	0.75	0.60	4.2996	0.1055	12.2	12.3	11.1	12.5	13.0 E	12.2	(0.53)	12.5	(0.56)
CLARCOR Inc.	0.75	0.60	3.8867	0.0954	17.2	16.8	16.6	15.3	14.8	16.1	(0.17)	13.5	(0.44)
Catellus Development	0.90	0.79	3.3476	0.0822	12.2	11.9	16.2	22.2	18.4	16.2	(0.16)	13.5	(0.44)
Chemed Corp.	0.60	0.36	3.6001	0.0884	8.9	9.3	9.6	5.9	6.0	7.9	(0.93)	12.0	(0.62)
Cincinnati Financial	0.85	0.71	3.8578	0.0947	4.3	4.7	2.0	3.2	5.4	3.9	(1.31)	8.0	(1.10)
Coca-Cola	0.70	0.49	4.1280	0.1013	42.0	34.0	39.4	35.0	36.5 E	37.4	1.82	31.0	1.64
Commercial Metals	0.85	0.72	3.9590	0.0972	11.2	11.3	11.0	5.6	8.1	9.4	(0.79)	9.0	(0.98)
ConAgra Foods	0.65	0.40	4.1265	0.1013	22.6	23.9	27.0	17.1	18.2	21.8	0.36	19.5	0.27
ConocoPhillips	0.85	0.72	3.7207	0.0913	8.0	10.5	28.4	11.4	5.1	12.7	(0.49)	9.5	(0.92)
Crescent Real Est.	0.85	0.72	3.7207	0.0913	7.6	9.0	8.3	7.2	4.9	7.4	(0.98)	11.5	(0.68)
Curtiss-Wright	0.65	0.41	3.8952	0.0956	12.7	12.3	13.1	11.6	10.1	12.0	(0.65)	12.0	(0.62)
Dentsply Int'l	0.65	0.40	4.2518	0.1044	19.4	19.2	19.4	18.0	17.5 E	18.7	0.07	16.5	(0.08)
Donaldson Co.	0.90	0.79	4.2028	0.1032	22.3	23.8	25.1	23.7	22.7	23.5	0.52	21.5	0.51
Donnelly (R.R.) & Sons	0.90	0.77	3.4354	0.0843	21.0	25.0	21.0	19.5	18.5 E	21.0	0.29	25.5	0.99
Federal Signal	0.90	0.79	4.2028	0.1032	18.5	16.3	16.1	13.0	11.6	15.1	(0.26)	17.5	0.04
Ferro Corp.	0.80	0.66	3.8790	0.0952	24.5	24.6	23.7	13.0	9.3	19.0	0.10	18.0	0.10
Fortune Brands	0.90	0.78	4.1988	0.1031	7.2	12.4	17.1	17.8	21.2	15.1	(0.26)	18.0	0.10
Franklin Electric	0.55	0.30	3.6865	0.0905	27.1	27.8	20.9	22.0	21.0	23.8	0.55	16.5	(0.08)
Gallagher (Arthur J.)	0.90	0.79	4.2377	0.1040	27.9	27.9	27.9	33.7	27.5 E	29.0	1.04	22.0	0.57
Gen'l Dynamics	0.70	0.52	4.1437	0.1017	16.4	22.5	23.6	20.8	19.0 E	20.5	0.24	19.0	0.21
Harte-Hanks	0.85	0.72	3.9580	0.0972	11.6	12.6	14.9	14.4	17.1	14.1	(0.36)	15.5	(0.20)
Hershey Foods	0.55	0.31	3.5302	0.0867	31.9	26.9	28.1	32.9	31.8	30.3	1.16	27.0	1.17
Hospitality Properties	0.85	0.70	3.3585	0.0824	7.5	7.4	8.5	8.2	8.7	8.1	(0.92)	9.0	(0.98)
Int'l Flavors & Frag.	0.75	0.56	4.0174	0.0986	21.6	22.0	23.7	25.8	28.5 E	24.3	0.60	18.5	0.15
Johnson & Johnson	0.75	0.56	3.4653	0.0851	27.1	26.0	25.5	24.3	28.0 E	26.2	0.78	20.0	0.33
Kellogg	0.55	0.25	3.9645	0.0973	61.7	74.5	72.6	61.1	79.6	69.9 (4)	4.86	52.5 (4)	4.20
Kimberly-Clark	0.70	0.48	3.5253	0.0865	34.8	31.6	31.2	30.9	30.9	31.9	1.31	27.0	1.17
Kirby Corp.	0.85	0.70	4.0622	0.0997	15.9	10.4	13.0	13.2	12.0 E	12.9	(0.47)	12.0	(0.62)
Lancaster Colony	0.75	0.58	4.3038	0.1057	23.4	22.9	24.6	19.6	16.6	21.4	0.33	16.5	(0.08)
Lance Inc.	0.55	0.28	3.8774	0.0952	14.8	13.7	12.6	13.4	10.5 E	13.0	(0.46)	15.0	(0.26)
Lawson Products	0.55	0.27	3.7484	0.0920	13.6	15.9	16.3	8.7	8.0 E	12.5	(0.50)	13.5	(0.44)
Marathon Oil Corp.	0.80	0.69	4.2828	0.1051	7.4	9.0	27.0	26.7	11.0 E	16.2	(0.16)	13.0	(0.50)
McClatchy Co.	0.80	0.66	3.8007	0.0933	7.6	9.4	9.3	6.3	11.5 E	8.8	(0.85)	11.0	(0.74)
McGraw-Hill	0.80	0.63	3.4217	0.0840	22.0	23.7	26.2	25.9	27.0 5E	25.0	0.66	23.5	0.75
Minerals Techn.	0.80	0.69	4.0580	0.0996	11.7	12.8	12.6	10.2	9.1	11.3	(0.62)	11.5	(0.68)
Murphy Oil Corp.	0.85	0.72	4.1054	0.1008	4.5	9.4	24.3	17.6	6.4	12.4	(0.51)	12.0	(0.62)
New Plan Excel R'lty	0.70	0.48	3.5589	0.0874	9.1	9.2	7.9	7.0	7.8	8.2	(0.91)	10.5	(0.80)
Occidental Petroleum	0.80	0.69	3.7936	0.0931	3.2	7.3	27.8	23.6	16.0 E	15.6	(0.21)	13.0	(0.50)
Oxford Inds.	0.80	0.69	4.2335	0.1039	15.4	17.1	14.3	9.1	6.0	12.4	(0.51)	12.0	(0.62)
PepsiCo Inc.	0.65	0.46	3.8798	0.0952	27.5	26.8	30.1	34.6	35.5 E	30.9	1.21	39.5 (4)	2.65
Popular Inc.	0.80	0.68	3.3677	0.0827	12.5	14.2	13.8	13.4	14.6	13.7	(0.39)	15.5	(0.20)
Quaker Chemical	0.75	0.60	3.8801	0.0952	16.2	19.0	20.2	16.8	16.0 E	17.6	(0.03)	22.5	0.63
RLI Corp.	0.70	0.54	3.3959	0.0834	9.6	10.7	8.8	9.0	8.4	9.3	(0.80)	11.0	(0.74)

Consumers Illinois Water Company
Comparable Earnings Analysis
for a Proxy Group of Seventy-Five Non-Utility Companies Comparable to
the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance (9)

Proxy Group of Seventy-Five Non-Utility Companies Comparable to the Proxy Group of Thirteen Utilities Selected on the Basis Least Relative Distance (9)	Adj. Beta	Unadj. Beta	Residual Standard Error	Standard Deviation of Beta	Rate of Return on Net Worth 1998	1999	2000	2001	2002	5-year Average (2) Percent	5-year Average (2) Student's T-Test	5-Year Projected (3) Percent	5-Year Projected (3) Student's T-Test
Raicorp Holdings	0.65	0.41	4.1730	0.1024	10.4	11.2	10.8	9.9	12.3	10.9	(0.65)	12.0	(0.62)
Rollins Inc.	0.75	0.61	3.8751	0.0951	4.0	10.0	12.2	19.8	29.9	15.2	(0.25)	20.5	0.39
Ruddick Corp.	0.70	0.51	4.2290	0.1038	11.4	11.4	10.8	10.8	12.3	11.3	(0.62)	11.5	(0.68)
SLM Corporation	0.85	0.75	4.2135	0.1034	68.7	47.9	34.8	37.3	40.0 E	45.7 (4)	2.60	46.0 (4)	3.43
Selective Ins. Group	0.75	0.55	3.9875	0.0979	8.8	9.4	4.6	4.5	6.0 E	6.7	(1.05)	10.5	(0.80)
Sensient Techn.	0.65	0.47	3.6717	0.0901	17.9	18.6	16.7	15.1	17.0 E	17.1	(0.07)	16.5	(0.08)
Smucker (J.M.)	0.60	0.39	3.8836	0.0953	11.6	11.4	13.4	12.2	8.5 E	11.4	(0.61)	9.5	(0.92)
Standex Int'l	0.75	0.58	4.1687	0.1023	19.3	18.9	18.5	14.5	11.4	16.5	(0.13)	17.0	(0.02)
Sysco Corp.	0.75	0.58	3.6367	0.0893	23.9	25.4	25.8	27.8	31.9	27.0	0.85	28.5	1.35
Tecumseh Products 'A'	0.70	0.54	4.2635	0.1047	9.8	13.1	6.6	4.4	5.5	7.9	(0.93)	9.5	(0.92)
Tennant Co.	0.65	0.44	3.8181	0.0937	19.3	17.7	18.2	7.8	8.0	14.2	(0.35)	15.5	(0.20)
Toro Co.	0.85	0.73	3.7808	0.0928	1.6	12.5	14.3	14.8	17.4	12.1	(0.54)	15.0	(0.26)
Trizec Properties	0.80	0.63	3.4688	0.0852	5.6	7.0	4.9	14.1	5.6	7.4	(0.98)	7.5	(1.15)
Universal Corp.	0.65	0.40	4.0155	0.0986	23.8	23.6	23.7	21.4	18.1	22.1	0.39	18.0	0.10
Unocal Corp.	0.85	0.75	4.0426	0.0992	5.9	5.2	26.6	19.2	11.0	13.6	(0.40)	15.0	(0.26)
Valspar Corp.	0.85	0.72	4.0554	0.0996	21.2	20.9	19.8	7.9	16.3	17.2	(0.07)	13.5	(0.44)
WD-40 Co.	0.55	0.25	4.0863	0.1003	39.8	39.3	38.9	30.6	30.5	35.8	1.67	22.0	0.57
Washington Federal	0.85	0.75	3.3248	0.0816	8.1	6.5	6.1	6.0	7.5	6.4	(1.07)	7.5	(1.15)
Wendy's Int'l	0.60	0.38	4.2679	0.1048	13.9	15.6	16.1	18.8	17.5 E	16.4	(0.14)	15.5	(0.20)
West Pharmac. Svcs.	0.65	0.46	3.3936	0.0833	16.3	15.7	8.3	11.8	9.5 E	12.3	(0.52)	16.5	(0.08)
Average for the Non-Utility Group	0.74	0.57	3.8983	0.0957									
Average for the Proxy Group of Thirteen Utilities Selected on the Basis of Least Relative Distance	0.70	0.51	3.8036 (10)	0.0934									
Mean										16.9%		15.7%	
Conclusion (6)											16.3% (6)		
Conservative Mean (7)										13.1%		13.4%	
Conservative Conclusion (8)											13.3% (8)		

See page 3 for notes.

Consumers Illinois Water Company
Comparable Earnings Analysis

E = Estimated

Notes: (1) The criteria for selection of the proxy group of ninety-six non-utility companies was that the non-utility companies be domestic and have a meaningful rate of return on net worth, common equity or partners' capital for each of the five years ended 2002 or projected 2005 -02007 / 2006–2008 as reported in Value Line Investment Survey (Standard Edition). The proxy group of ninety-six non-utility companies was selected based upon the proxy group of seven C. A. Turner water companies' unadjusted beta range of 0.12 - 0.74 and residual standard error of the regression range of 3.6921 – 4.8135. These ranges are based upon plus or minus three standard deviations of the unadjusted beta and standard error of the regression as detailed in Ms. Ahern's accompanying direct testimony. Plus or minus three standard deviations captures 99.73% of the distribution of unadjusted betas and standard errors of the regression.

(2) Ending 2002.

(3) 2005 – 2007 / 2006-2008.

(4) The Student's T-statistic associated with these returns exceeds 1.96 at the 95% level of confidence. Therefore, they have been excluded, as outliers, to arrive at proper mean historical and projected returns as fully explained in Ms. Ahern's accompanying testimony.

(5) The standard deviation of the proxy group of seven water companies' residual standard deviation is 0.1869. The standard deviation of the residual standard deviation is calculated as follows:

$$\text{Standard Deviation of the Resid. Std.} = \frac{\text{Residual Standard Deviation}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1869 = \frac{4.2528}{\sqrt{518}} = \frac{4.2528}{22.7596}$$

(6) Mid-point of the arithmetic mean of the historical five year average and five year projected rate of return on net worth.

(7) Arithmetic mean of historical five year rates of return and five year projected rates of return on net worth, common equity of partners' capital excluding those above 20% and below the prospective yield of 7.2% on A rated Moody's public utility bonds (from page 1 of Schedule 13 of this Exhibit).

(8) Mid-point of the arithmetic mean of historical five year rates of return and five year projected rates of return on net worth, common equity of partners' capital excluding those above 20% and below the prospective yield of 7.2% on A rated Moody's public utility bonds (from page 1 of Schedule 13 of this Exhibit).

(9) The criteria for selection of the proxy group of seventy-five non-utility companies was that the non-utility companies be domestic and have a meaningful rate of return on net worth, common equity or partners' capital for each of the five years ended 2002 or projected 2005 -02007 / 2006–2008 as reported in Value Line Investment Survey (Standard Edition). The proxy group of seventy-five non-utility companies was selected based upon the proxy group of thirteen utilities selected on the basis of least relative distance's unadjusted beta range of 0.23 - 0.79 and residual standard

Consumers Illinois Water Company
Comparable Earnings Analysis

error of the regression range of 3.3023 – 4.3049. These ranges are based upon plus or minus three standard deviations of the unadjusted beta and standard error of the regression as detailed in Ms. Ahern's accompanying direct testimony. Plus or minus three standard deviations captures 99.73% of the distribution of unadjusted betas and standard errors of the regression.

(10) The standard deviation of the proxy group of thirteen utilities selected on the basis of least relative distance's residual standard deviation is 0.1671. (0.1671 = 3.8036 / 22.7596).

Source of Information: Value Line, Inc., March 14, 2003
Value Line Investment Survey (Standard Edition)