Consumers Illinois Water Company	:	
	:	**03-0403**
General increase in water rates for	:	
the Kankakee Water Division.	:	

ADMINISTRATIVE LAW JUDGE'S RULING

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

285.4070 Schedule D-7: Comparative Financial Data

Section 285.4070(a) requires that the Company:

> Provide comparative financial data for the five most recently completed calendar or fiscal years through the capital structure measurement period in Schedule D-7.

The Company only provided data for the three most recently completed calendar years through the capital structure measurement period instead of the required five most recently completed calendar years through the capital structure measurement period. The Company needs to amend Schedule D-7 so that the requested data is provided for the entire period.

Answer:

Attached please find revised Schedule D-7, Pages 1 and 2.

CONSUMERS ILLINOIS WATER COMPANY
Kankakee Water Division
Rate Case Docket No. 03-0187

Proposed Test Year Period: Future
Period Reported: 2000 - 2004
Prior Year (2002) 12 Mo. Actual

Revised

Comparative Financial Data (Total Company)

Line	Description (A)	Average Test Year 2004 (B)	Projected 2003 (C)	2002 (D)	2001 (E)	2000 (F)	1999 (G)	1998 (H)
1	**Capital Structure Ratios:**							
2	Short-Term Debt	1.6%	0.2%	11.8%	5.6%	6.3%	3.3%	2.0%
3	Long-Term Debt	47.6%	49.2%	40.6%	45.4%	44.0%	46.4%	49.2%
4	Preferred Stock	0.3%	0.4%	0.4%	0.5%	0.4%	0.5%	0.5%
5	Common Equity	50.4%	50.2%	47.3%	48.3%	49.3%	49.8%	48.3%
6	Total	100%	100%	100%	100%	100%	100%	100%
7								
8								
9								
10								
11								
12	**Costs of Capital:**							
13	Embedded cost of long-term debt	7.90%	7.91%	8.40%	8.57%	8.59%	8.72%	8.77%
14	Embedded cost of preferred stock	5.48%	5.48%	5.48%	5.52%	5.52%	5.52%	5.52%

CONSUMERS ILLINOIS WATER COMPANY
Kankakee Water Division
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Schedule D - 7
Page 2 of 2
Person Responsible: J. Schreyer

Proposed Test Year Period: Future
Period Reported: 2000 - 2004
Prior Year (2002) 12 Mo. Actual

Revised

Comparative Financial Data (Total Company)

Line	Description (A)	Average Test Year 2004 (B)	Projected 2003 (C)	2002 (D)	2001 (E)	2000 (F)	1999 (G)	1998 (H)
1	**Earnings Ratios:**							
2	AFUDC as a % of earnings for common	4.57	2.06	1.32	0.30	8.52	1.45	0.04
3	Return on net original cost rate base	7.13%	8.11%	8.33%	8.30%	7.98%	8.33%	8.34%
4	Return on average common equity	7.36%	10.04%	10.69%	9.59%	9.49%	10.04%	8.12%
5								
6	**Fixed Charge Coverage:**							
7	Pre-tax interest cov. (Excl. AFUDC)	2.63	3.02	3.22	2.89	2.65	2.84	2.39
8	After-tax fixed cov. (Excl. AFUDC)	1.96	2.20	2.38	2.16	2.10	2.17	1.86
9								
10	**Cash Flow Ratios:**							
11	Funds flow interest coverage	2.34	3.18	3.06	2.35	4.14	2.39	3.13
12	Funds flow as a % of average total debt	17.13%	22.81%	21.43%	18.42%	32.85%	19.40%	18.50%
13	Cash coverage of common dividends	#DIV/0!	11.54	2.14	1.49	#DIV/0!	2.92	2.85
14	Net cash coverage as a % of Constr. Exp.	76.01%	69.58%	42.48%	20.49%	74.71%	69.49%	90.91%
15								
16	**Common Stock Related Data:**							
17	Shares Outstanding - Year End	734,879	734,879	677,129	639,904	605,357	596,720	596,720
18	Shares Outstanding - Weighted Ave (Mo)	734,879	681,942	670,925	637,025	597,440	596,720	569,432
19	Earnings Per Share - Weighted Ave.	$ 5.55	$ 7.05	$ 7.43	$ 6.71	$ 6.33	$ 6.40	$ 5.05
20	Dividends Paid Per Share - Wtd. Ave.	$ -	$ 1.60	$ 7.62	$ 9.08	$ -	$ 4.38	$ 4.34
21	Dividend Payout Ratio	0%	23%	102.62%	135.32%	0.00%	68.34%	85.85%