

**Consumers Illinois Water Company  
Legal Description of Service Area**

**Legal Description**

**The East half of Section 14, Township 35 North,  
Range 10 East of the 3<sup>rd</sup> Principle Meridian**

Consumers Illinois Water Company  
Cost of Acquisition

	One-time Cost
Legal Fees:	
Regulatory	15,000
Environmental	8,000
Purchase Agreement/Closing	<u>5,000</u>
Sub total	28,000
Organization:	
Due Diligence	16,500
Engineering/CAD	10,000
Customer Accounts - Transfer	<u>1,000</u>
Sub total	27,500
<b>10-Year Total</b>	<b><u>\$ 55,500</u></b>

**EXHIBIT G**

**REQUIRED PLANT SURCHARGE (RPS)**

Total Water Plant Construction Costs: \$ 300,750

YEAR	RPS CAPITAL BALANCE	RPS CARRYING COST LESS ACQ. ADJ. AT 9.41% RATE OF RETURN (C)	TOTAL RPS CAPITAL & CARRYING COST	SYSTEM CUSTOMERS (A)	RPS CAPITAL RECOVERY REVENUE** (B) = (A) x 270.95	RPS CARRYING COST RECOVERY REVENUE*** (D) = (A) x \$102.82	TOTAL RECOVERY REVENUE (E) = (B) + (D)
0	\$ 300,750		\$ 300,750 *				
1	\$ 270,675	\$ 24,149	\$ 294,824	111	\$ 30,075	\$ 11,413	\$ 41,488
2	\$ 240,600	\$ 21,318	\$ 261,918	111	\$ 30,075	\$ 11,413	\$ 41,488
3	\$ 210,525	\$ 18,488	\$ 229,013	111	\$ 30,075	\$ 11,413	\$ 41,488
4	\$ 180,450	\$ 15,658	\$ 196,108	111	\$ 30,075	\$ 11,413	\$ 41,488
5	\$ 150,375	\$ 12,828	\$ 163,203	111	\$ 30,075	\$ 11,413	\$ 41,488
6	\$ 120,300	\$ 9,998	\$ 130,298	111	\$ 30,075	\$ 11,413	\$ 41,488
7	\$ 90,225	\$ 7,168	\$ 97,393	111	\$ 30,075	\$ 11,413	\$ 41,488
8	\$ 60,150	\$ 4,338	\$ 64,488	111	\$ 30,075	\$ 11,413	\$ 41,488
9	\$ 30,075	\$ 1,508	\$ 31,583	111	\$ 30,075	\$ 11,413	\$ 41,488
10	\$ -	\$ (1,323)	\$ (1,323)	111	\$ 30,075	\$ 11,413	\$ 41,488
<b>TOTALS:</b>		<b>\$ 114,130</b>		<b>1110</b>	<b>\$ 300,750</b>	<b>\$ 114,130</b>	<b>\$ 414,880</b>

Required Plant Surcharge (B+D)/A = \$ 373.77 per Customer per Year  
or  
\$ 31.15 per Customer per Month

*\*Note: Initial Capital Balance equal Total Water Plant Construction Costs*

*\*\*Note: RPS Capital Recovery Factor equals Total Water Plant Construction Cost divided by Total Customers = \$300,750/1110 = \$270.95/customer/year.*

*\*\*\*Note: RPS Carrying Cost Recovery Factor equals (Total Carrying Costs less Negative Amortization of Acquisition Adjustment) divided by Total Customers = (\$141,503-\$27,375)/1110 = \$102.82/customer/year.*

Consumers Illinois Water Company  
Required Plant List  
with Cost

ATTACHMENT E

Compliance Items:

Account Description	Estimated Cost
304 Structures & Improvements	38,750
309 Supply Mains	25,250
310 Power Generation Equipment	38,750
320 Treatment Equipment	9,250
330 Distribution Reservoirs and Standpipes	<u>29,500</u>
Sub total	141,500

Other Required Plant Improvements:

Account Description	Estimated Cost
331 Mains	64,750
333 Services	32,750
334 Meters	<u>61,750</u>
Sub total	159,250
<b>Total</b>	<b><u><u>\$ 300,750</u></u></b>

Consumers Illinois Water Company  
Rate Base Items

ATTACHMENT F
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**Known ICC Rate Base:**

*(2002 ICC Annual Report, for period through 12/31/2002)*

Plant Account Description	Amount	Comments	Year Installed	Depreciation <sup>1</sup>	Rate Base Net of Depreciation
304 Structures and Improvements	\$ 109				\$ 109
307 Wells and Springs	\$ 183	Well #3			\$ 183
309 Supply Mains					
310 Pumping Equipment	\$ 404				\$ 404
331 Transmission Distribution and Mains	\$ 13,616				\$ 13,616
				Sub total	\$ 14,311

**Prior Lease-Hold Interests Acquired by CIWC:**

Plant Account Description	Amount	Comments	Year Installed	Depreciation	Rate Base Net of Depreciation
303 Land and Land Rights	338	412 Oakview Ave., PIN 7-14-401-001	1957	0%	338
304 Structures and Improvements	420	New Well House	2003	3%	420
307 Wells and Springs	13,660	Well # 4	2001	3%	12,840
309 Supply Mains		Included in Well #4			
310 Pumping Equipment	860	Booster Pump	2001	3%	808
331 Transmission Distribution and Mains	25,175	670 LF 4" C900 PVC Main	2001	3%	23,665
339 Other Plant and Miscellaneous Equip	1,742	Pressure Chart Recorders	2002	3%	1,637
		Chemical Feed Pumps & Day Tanks			
	Sub total	\$ 42,195		Sub total	39,709
	<b>Total</b>	<b><u>\$ 56,506</u></b>		<b>Total</b>	<b><u>\$ 54,020</u></b>

<sup>1</sup> Composite depreciation rate used

**Consumers Illinois Water Company**

<b>ATTACHMENT G</b>
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**OAKVIEW ACQUISITION  
ACCOUNTING ENTRIES TO RECORD INITIAL PURCHASE  
WATER SYSTEM**

<u>Account</u>	<u>Utility Plant in Service</u>	<u>Debit</u>	<u>Credit</u>
104	Utility Plant Purchased or Sold	-	\$ 27,375
301	Organization	-	
303	Land & Land Rights	338	
304-15	Structures & Improvements- Pumping Plant	\$ 109	
304-30	Structures & Improvements- Water Treatment Plant	\$ 420	
307	Wells & Springs	\$ 13,843	
310	Power Generation Equipment		
311	Pumping Equipment	\$ 1,264	
320	Water Treatment Equipment	\$	
330	Distribution Reservoirs & Standpipes	\$	
331	Mains	\$ 38,791	
333	Services	\$	
334	Meters	\$	
335	Hydrants	\$	
339	Other Plant & Misc. Equipment	\$ 1,742	
<b><u>Reserve for Depreciation &amp; Contributed Property</u></b>			
108	Organization	-	-
108	Structures & Improvements- Pumping Plant	-	\$
108	Structures & Improvements- Water Treatment Plant	-	\$
108	Wells & Springs	-	\$ 820
108	Power Generation Equipment	-	
108	Pumping Equipment	-	\$ 52
108	Water Treatment Equipment	-	\$
108	Distribution Reservoirs & Standpipes	-	\$
108	Mains	-	\$ 1,510
108	Services	-	\$
108	Meters	-	\$
108	Hydrants	-	\$
108	Other Plant & Misc. Equipment	-	\$ 105
131	Cash	-	\$ 26,645
		<u>\$ 56,507</u>	<u>\$ 56,507</u>

## Consumers Illinois Water Company

### Summary Accounting Entry to Record Initial Purchase

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Various	Utility Plant in Service	\$ 56,507	
108	Accumulated Depreciation		\$ 2,487
104	Utility Plant Purchased or Sold		\$ 27,375
131	Cash		\$ 26,645

This is a summary of the accounting entries on Exhibit I, Page 1.

#### Journal Entry # 1

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
104	Utility Plant Purchased or Sold	\$ 27,375	-
114	Utility Plant Acquisition Adjustment	-	\$ 27,375

To record transfer of purchased Utility to acquisition adjustment account in accordance with USOA Accounting Instruction 21, B.

#### Journal Entry # 2

115	Accum. Amort. Of Utility Plant Acq. Adj.	\$ 2,737	-
406	Amortization Of Utility Plant Acquisition Adjustments	-	\$ 2,737

Annual entry to record the amortization of acquisition adjustment using a 10 year life.

#### Journal Entry # 3

114	Utility Plant Acquisition Adjustment	\$ 27,375	-
115	Accum. Amort. Of Utility Plant Acq. Adj.	-	\$ 27,375

Entry at the end of amortization period.