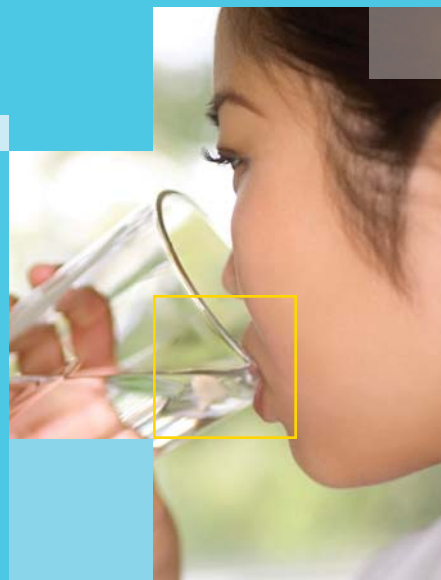


Your rights & responsibilities as our valued customer



The water meter is the responsibility and property of

Illinois American Water and may be located inside your home or business, or outside in a meter pit. Only

Illinois American Water personnel are permitted to open the meter pit. However, when the meter is

located inside your home or business, you have the responsibility to keep your meter accessible and

properly protected from severe cold or heat. The meter must be kept free from obstructions, pets must be

restrained, and obstacles must be removed that would prevent the meter reader from reading the meter. You

may be charged for repairs if your meter freezes, bursts or is damaged due to neglect on your part.

It is unlawful to tamper in any way with the operation of your water meter.

Illinois American Water also provides sewer service to some parts of the Chicago Metro area. In these areas, Illinois American Water owns and is responsible for maintaining the main sewer line in the street, and any portion of the sewer line located off customers' property or within easements for which customers do not have ownership rights. Customers are responsible for maintaining sanitary sewer service lines located on their property and within easements for which they have ownership rights.

Illinois American Water's Guide to Your Sanitary Sewer Service is on our website at www.illinoisamerican.com, or you may request a copy by calling our Customer Service Center at 1-800-422-2782.

Starting and Stopping Your Water Service

One call is all it takes to turn on your water service if your home or business is already connected to our system. Simply contact our Customer Service Center and a representative will take a verbal application from the person responsible for paying the bill. Following your application for service, we will make a service call to read the meter and will start your billing with an actual meter reading. It may be necessary to arrange an appointment for our employee to enter your home or business to read the meter.

We may request that an adult be present when our service representative comes to turn on your water. Please notify us at least three working days before you want your water service started. Before your water is turned on, please check to ensure all water outlets, both inside and out, are turned off to prevent water damage that could occur from open faucets.

Please notify us at least five working days before you want your water service disconnected.

If you are applying for service at a home or business that is not currently connected to our system, please contact our Customer Service Center for instructions.

Water Lines, Sewer Lines and Water Meters—Your Responsibilities and Ours

Illinois American Water is responsible for the water distribution main in the street, the service connection from the water main to your property line, and the other water pipes, such as the plumbing system in your home or business and the service line from your home or business to the property line, are your responsibility to maintain. Electric wires should not be grounded to your plumbing system, as doing so can present a safety hazard.

Shut-Off Valve

Should you have an emergency with your home plumbing system, you can turn off the water where it enters your home by using the shut-off valve. It is usually installed where the water pipe enters your home inside your basement wall or crawl space. You can help

make your shut-off valve easy to identify by painting it a bright color or tying a bright ribbon or tag to it.

Employee Identification

All employees of Illinois American Water have company identification cards. In addition, many wear uniforms and use vehicles and equipment which are marked with the Illinois American Water logo. If you want to verify that someone is an Illinois American Water employee, or a contractor working for Illinois American Water, please ask to see his or her identification card. Sample identification documents are available on the Illinois American Water web site at www.illinoisamerican.com, in the Customer Rights section.

How We Calculate Your Bill

Your bill is based on rates set in ratemaking proceedings before the Illinois Commerce Commission and approved by the Commission in those proceedings. Rates and charges vary by community. Applicable rates are itemized on your bill for service.

All customers will see a fixed service charge and a water consumption charge on their bills. The fixed service charge is based on the size of your water meter. The consumption charge is based upon the amount of water used during the billing period.

Some customers see additional charges, such as:

- **A supply charge**, which reflects the pass-through cost of water purchased for delivery to most Chicago Metro-area customers. The supply charge reflects the cost of high quality Lake Michigan water delivered to Illinois American Water by a pipeline.

- **Local charges.** In many cases, Illinois American Water bills and collects sewer and garbage/trash charges for municipalities.

Inside this brochure is a sample bill that includes descriptions of most of the charges that customers see on their bills. Your bill will be different from this

example, because actual rates and charges vary by community. Bill descriptions are also available on the Illinois American Water website at www.illinoisamerican.com.

Estimated Bills

Illinois American Water makes every effort to obtain an actual meter reading on which to calculate your bill. However, there are times when adverse weather or other circumstances prevent us from obtaining an actual meter reading. When an actual meter reading is not taken, you will receive a bill based on an estimated reading. If your reading is estimated, your bill will be marked "estimated." The difference between the estimated bill and the actual usage is automatically adjusted on your bill following the next actual meter reading.

Higher than Expected Water Bills

An unusually high bill can occur for many reasons:

- When an actual meter reading follows estimated readings that were lower than actual consumption.
- When there is a leak in your plumbing system, or in the service line past the point of your water meter. Toilet leaks are the most common form of plumbing system leaks. An underground service line leak is another common cause for high usage. When you have been using water for seasonal purposes such as lawn irrigation, gardening, or pool filling.

The Company is entitled to bill for prior unbilled service, up to 12 months for residential customers and 24 months for commercial customers. Customers who are billed for prior unbilled service are allowed an equal amount of time to pay. If your bill is unusually high and you do not know why, please contact our Customer Service Center so that we can help you determine the cause.

24/7 Customer Service

Our Customer Service team is ready to help you with any questions you have about your water service. Representatives are available 24 hours a day at 1-800-422-2782. If the representative is unable to handle your issue, you may ask to speak to a specialist or supervisor.

Every customer inquiry is handled with attention and care, and every effort is made to satisfy you. If you feel we have not responded to your inquiry in a satisfactory manner, you have the right to request that the Illinois Commerce Commission (ICC) review the unresolved dispute. You may contact the ICC at 1-800-524-0795 or through their website at www.icc.illinois.gov. A copy of the Illinois Commerce Commission's Bill of Rights for Water and Sewer Customers is printed on the back panel of every customer bill.

If you have a touch-tone phone and know your account number, you can use our Customer Service Center automated service (1-800-422-2782) to access your account 24 hours a day. From the phone menu, you may learn your current account balance, your usage for the past three months, when your last payment was made, and when your next payment is due.

Illinois American Water is committed to a program of responsive and continuously improved customer service. You can find the latest customer service information on the Illinois American Water website at www.illinoisamerican.com.

Mailing Address

Your bill comes with a return envelope addressed to:

Illinois American Water
P.O. Box 94551
Palatine, IL 60094-4551

Dear Customer,

As your water supplier, we recognize the trust you place in us to provide high quality, reliable drinking water service. It is a responsibility we take very seriously.

This guide will help you understand the services we offer, as well as your rights and responsibilities as an Illinois American Water customer. We hope you will review the contents of this guide and keep it for your future reference.

If you have any questions about our service that are not answered by the information provided here, please phone our Customer Service Center at 1-800-422-2782. Our Customer Service Representatives are available 24 hours a day, seven days a week.

Sincerely,

Karla Olson Teasley, President
Illinois American Water

Quality Water Service

Water utilities have a unique responsibility. We provide quality drinking water every time you turn on your water faucet. Our employees conduct an extensive treatment and monitoring program designed to achieve compliance with all state and federal water quality requirements.

Every year we send you a copy of our Water Quality Report—a comprehensive description of the quality of your drinking water. We can send you an extra copy of the report for your area or, if necessary, put you in touch with a member of our water quality team. The Water Quality Reports are also available on the Illinois American Water website at www.illinoisamerican.com.

Paying Your Bill

Illinois American Water offers you several payment options. The easiest way to pay is through our automatic bill payment program, a service which automatically deducts your payment from your checking or savings account as of the due date on your bill. This service has the added benefit of ensuring that your bill is never paid late, even when you are away for extended periods. You can sign up for automatic bill payment by calling our Customer Service Center at 1-800-422-2782 or by going to the Customer Service section of the Illinois American Water website at www.illinoisamerican.com. For a small fee, you may also pay your bill with a credit card, by phone or online.

You may also mail your payment to us in the envelope provided with your bill. If you mail your payment, please allow enough time for your payment to be received by the due date.

If you want to pay your bill in person, we have established payment locations in your community. You will find a list of payment sites for your area on your monthly bill. You can also call our Customer Service Center at 1-800-422-2782 for payment locations in your area.

If you would like to change the time that your bill comes due each month, you may request a preferred due date by calling our Customer Service Center. A representative will change your billing cycle, so your bill is due on the date that you request.

Collections Policy—Avoiding a Late Payment Charge or Disconnection of Service

Your payment is due 21 days after the bill is mailed (14 days for non-residential customers), and the due date is printed on the front of the bill. Bills not paid by the due date are considered past due and a late payment charge of 1.5% of the overdue balance may be assessed. Should the bill remain unpaid, a Final Notice

Prior to Disconnection will be mailed to the customer. If payment is not received by the due date on the Final Notice, water service may be disconnected.

If you receive a Final Notice, please take immediate action to avoid disconnection. Call the Customer Service Center immediately at 1-800-422-2782. The notice will include information about the steps you need to take and your rights and responsibilities. Even if you have submitted payment, it is best to call and verify that payment was received.

When we must disconnect service for nonpayment, we will do so only between 8:00 a.m. and 2:00 p.m. Monday through Friday.

We will reconnect your service when conditions which caused the disconnection have been corrected. You may be required to pay a service reconnection charge. This charge is based on the cost of reconnecting your water service. We may request that an adult be present when we reconnect water service.

Illinois American Water will waive fees for the first incidence of a reconnection charge and a late payment charge one time each calendar year.

Medical Emergency Notice

If someone now living at your home is very sick, Illinois American Water will not shut off your service if you provide us with a medical emergency notice. To obtain the notice, contact your doctor or local board of health and tell them to call us at 1-800-422-2782. The doctor may provide this notice to us by phone, but must send us a written verification on his or her letterhead within five days. This verification should confirm the sick person's residency, illness and the period of time for which termination of water service will aggravate the illness. This certification is good for 30 days. It can be renewed for 30 days by the same procedure.

If water service is terminated within 14 days prior to certification of illness, we will restore service, without a reconnection charge, if we receive the certification according to the process outlined above.

Disputed Bills

If you disagree with any portion of your bill, you may contact our 24-hour Customer Service Center at 1-800-422-2782 for assistance. While your account is being investigated, we will withhold any collection activity on the disputed amount and will not discontinue your service. We do ask that you continue to remit payment for the undisputed portion of your bill while the charge in question is being reviewed.

Payment Assistance

Sometimes customers face circumstances that stretch their financial resources. If you cannot pay your bill by the due date, please contact our Customer Service Center immediately, before the due date. Our customer service representatives are available 24 hours a day, 7 days a week at 1-800-422-2782.

When you call, our customer service representatives will work with you on a plan to pay the balance of the bill over time. The terms of the agreement will take into consideration the size of the past-due account, ability to pay and payment history, any reason for the outstanding indebtedness and other relevant factors.

You also may be eligible for assistance through our H2O Help Program, a customer assistance partnership with The Salvation Army that is supported solely by Illinois American Water and voluntary contributions from our customers. It is important to take action before service is shut off!

Information about payment arrangements and the H2O Help Program is available on the Illinois American Water website at www.illinoisamerican.com.

Understanding the Charges on Your Bill

This sample bill describes most of the charges that appear on customers' bills. Your actual bill may be different from this example, because bill components vary by community.

- 1. Basic Service** – Your water service charge is based on your water meter size. This charge applies each billing period, even when there is no water usage.
- 2. Use** – This is your cost for water usage—the unit cost per thousand gallons or per hundred cubic feet, multiplied by the amount of water used.
- 3. Supply Charge** – Most Chicago Metro-area customers pay a supply charge, based on the cost of Lake Michigan water purchased from other water suppliers. This is a usage charge that includes a flat rate in some districts.
- 4. QIP Surcharge** – The Illinois Qualified Infrastructure Plant (QIP) program surcharge funds company improvements to water pipelines, hydrants and other infrastructure upgrades in some communities. This surcharge is based on water usage.
- 5. Fire Protection Charge** – This charge is for the installation and maintenance of public fire hydrants attached to the company's water mains. It also covers the cost of upsizing water mains, production, distribution and storage facilities needed for proper fire flows.
- 6. Franchise fee** – These fees are:
 - Levied by and distributed to a local municipality, OR
 - Assessed to cover the cost of providing water to municipal facilities.
- 7. Current Wastewater Charges** – This charge appears on customer bills in communities where Illinois American Water provides wastewater service or collects wastewater payments for a city or sewer authority. These charges may be fixed, or based on water usage.
- 8. Sewer Collection and/or Treatment** – Some Chicago Metro-area customers pay a fixed rate for sewer collection and/or treatment.
- 9. Sewer Surcharge** – Some Chicago Metro-area customers pay a sewer surcharge based on the cost of sewage treatment services paid to local service providers by Illinois American Water.
- 10. Sewer Charge (City)** – Some customers' bills include the cost of sewer service provided by their communities. Illinois American Water adds the cost to local water bills and collects the charges for the local sewer service provider.
- 11. Garbage/Trash** – Some communities have contracted with Illinois American Water to bill and collect local trash disposal fees.
- 12. H₂O** – The H₂O Program is a voluntary customer donation to help customers in need to pay for their water service.
- 13. Municipal Tax** – Some customers pay a municipal tax, levied by the city in which they live.
- 14. State Recovery Tax** – A fee paid to the Illinois Commerce Commission to fund their operation. This fee is based on a percentage of the total water bill.

0 1 2 3 4 5 6 7 8 9 0 0 0 0 0 0 0 0 0 0 9 8 7 6 5 4 3 2 1 0

Illinois American Water
PO BOX 578
ALTON, IL 62002-0578

For Service To: 1234 Any Street

John & Jane Doe
1234 Any Street
Any Where, IL 60000-0000

Illinois American Water
P.O. Box 94551
Palatine, IL 60094-4551

ACCOUNT NUMBER	00-0000000-0
AMOUNT DUE	
DUE DATE	
Amount Paid	

Please return this portion with check
Payable to the address below

Customer Account Information
For Service To: John & Jane Doe
1234 Any Street
Account Number: 00-0000000-0
Premise Number: 00-0000000

Billing Period & Meter Information
Billing Date: December 14, 2007
Billing Period: Nov 11 to Dec 9
Next reading on/about: Jan 11
Rate Type: Residential

Meter readings in current billing period:
Meter Number 000000000 is a 5/8-inch meter.
Present-actual XX
Last-actual XX
Thousand Gallons used X

Water Usage Comparison
Monthly usage in thousand gallons

Month	Usage (thousand gallons)
JAN	400
FEB	400
MAR	400
APR	400
MAY	400
JUN	500
JUL	500
AUG	500
SEP	400
OCT	400
NOV	400
DEC	400

Billing Summary

Item	Amount
— Prior Balance —	
Balance from last bill	\$XX.XX
Payment as of Dec 14, 2007. Thanks!	-XX.XX
Total prior balance, Dec 14, 2007	\$0.00
— Current Water Charges —	
(1) Basic Service	XX.XX
(2) Use (\$X.XX x 6.00)	XX.XX
(3) Supply Chg – American Lake Water (\$X.XX x 6.00)	X.XX
(4) QIP Surcharge	X.XX
(5) Fire Protection Charge	X.XX
(6) Franchise Fee	-0.XX
Total water charges, Dec 14, 2007	XX.XX
— Current Wastewater Charges —	
(8) Sewer Collect or Swr Treatment	X.XX
(9) Swr Srchg (\$X.XX x 6.00)	X.XX
— OR —	
(10) Swr Chg (City)	X.XX
Total wastewater charges, Dec 14, 2007	X.XX
— Other Current Charges —	
(11) Garbage/Trash	.XX
(12) H ₂ O	X.XX
— Taxes —	
(13) Municipal Tax	X.XX
(14) State Recovery Tax	0.XX
— Total Current Charges —	XX.XX
— TOTAL AMOUNT DUE —	\$XX.XX

Messages from Illinois American Water
Customers may use their credit card, debit card, or pay by electronic check only by calling toll-free: 1-866-271-5522.
Click on Customer Service, then Request or Change Service. You will need your account number and phone number. Please schedule at least 72 hours in advance.

IF YOU HAVE ANY QUESTIONS ABOUT YOUR BILL OR YOUR WATER SERVICE, please contact our Customer Service Center. Representatives are available 24/7 at 1-800-422-2782. If the representative is unable to handle your issue, you may ask to speak to a specialist or a supervisor. We will make every effort to handle your issue with attention and care. If you feel we have not responded to your inquiry in a satisfactory manner, you have the right to request that the Illinois Commerce Commission (ICC) review the unresolved dispute. You may contact the ICC at 1-800-524-0795 or through their website at www.icc.illinois.gov. A copy of the Illinois Commerce Commission's Bill of Rights for Water and Sewer Customers is shown on the back of this bill.

Customer Service: 1-800-422-2782 (24 Hours)
Visit us on the internet: www.illinoisamerican.com