



Notice of Proposed Change in Scheduled Rates

Illinois American Water has filed with the Illinois Commerce Commission a proposed change in water and wastewater rates for all operating areas served by the Company.

The proposed rates would increase the overall water revenue for the Company's districts below as follows:

Zone 1 (including Interurban/Alton/Cairo/Peoria/Pontiac/Streator/ South Beloit/Sterling/Champaign)	30.08%
Lincoln	35.59%
Pekin	30.90%

The proposed changes, which include changes in design of the rates, affect charges for customers in all service classifications (including metered water service, private fire service and public fire service). Changes in certain miscellaneous charges also are proposed. The effect of the changes varies depending on the level of water use, size of meter, service classification and other factors. For a residential customer, with a 5/8-inch meter, the proposed changes would increase a monthly bill (including all applicable rate components, which include base rates, infrastructure surcharges, public fire charges, franchise cost, and related taxes) by the amounts and percentages shown on the chart on page two of this insert.

Illinois Commerce Commission procedures for intervention are contained in its Rules of Practice and include the timely filing of a verified petition to intervene with the Chief Clerk of the Commission and service of the petition to Illinois American Water, the Commission's Administrative Law Judge, Commission Staff witnesses, and all other parties. This petition must contain the information required by the Rules of Practice. In addition, customers may request a public forum regarding this proposed increase by making a written request to the Illinois Commerce Commission in accordance with procedures specified in Section 8-306(n) of the Public Utilities Act (220 ILCS 5/8-306 (n)).

A copy of the proposed rate schedules may be inspected by any interested party at any of the Illinois American Water offices.

Customers should be advised that the Commission may alter or amend the rates or conditions of service after hearings held pursuant to 83 Ill. Admin Code 200 and may increase or decrease individual rates in amounts other than those requested by Illinois American Water.

You may obtain additional information either directly from Illinois American Water, 300 N. Water Works Drive, Belleville, Illinois 62223, or by addressing the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

Information is also available at the following web sites:

Illinois Commerce Commission:	www.icc.illinois.gov
Illinois American Water:	www.illinoisamwater.com

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Water	Usage Level	Current Rate	Proposed Rate	Increase	Percentage Increase
Alton (Zone 1)					
	Small (2,250 gal/mo)	26.03	33.60	7.57	29.08%
	Medium (5,250 gal/mo)	38.32	49.17	10.85	28.31%
	Large (12,000 gal/mo)	65.99	84.21	18.22	27.61%
Cairo (Zone 1)					
	Small (2,250 gal/mo)	31.15	40.72	9.57	30.72%
	Medium (5,250 gal/mo)	43.06	56.30	13.24	30.75%
	Large (12,000 gal/mo)	69.90	91.34	21.44	30.67%
E. St. Louis (Zone 1)					
	Small (2,250 gal/mo)	25.74	33.30	7.56	29.37%
	Medium (5,250 gal/mo)	38.01	48.87	10.86	28.57%
	Large (12,000 gal/mo)	65.64	83.92	18.28	27.85%
Granite City (Zone 1)					
	Small (2,250 gal/mo)	25.72	33.27	7.55	29.35%
	Medium (5,250 gal/mo)	37.99	48.84	10.85	28.56%
	Large (12,000 gal/mo)	65.62	83.89	18.27	27.84%
Belleville (Zone 1)					
	Small (2,250 gal/mo)	25.65	33.17	7.52	29.32%
	Medium (5,250 gal/mo)	37.92	48.75	10.83	28.56%
	Large (12,000 gal/mo)	65.54	83.79	18.25	27.85%
Peoria (Zone 1)					
	Small (2,250 gal/mo)	25.68	32.99	7.31	28.47%
	Medium (5,250 gal/mo)	37.40	47.80	10.40	27.81%
	Large (12,000 gal/mo)	63.80	81.13	17.33	27.16%
Streator (Zone 1)					
	Small (2,250 gal/mo)	28.02	35.76	7.74	27.62%
	Medium (5,250 gal/mo)	40.16	51.03	10.87	27.07%
	Large (12,000 gal/mo)	67.49	85.39	17.90	26.52%
Pontiac (Zone 1)					
	Small (2,250 gal/mo)	28.78	36.92	8.14	28.28%
	Medium (5,250 gal/mo)	40.42	51.73	11.31	27.98%
	Large (12,000 gal/mo)	66.65	85.06	18.41	27.62%
South Beloit (Zone 1)					
	Small (2,250 gal/mo)	18.36	26.14	7.78	42.37%
	Medium (5,250 gal/mo)	32.02	41.72	9.70	30.29%
	Large (12,000 gal/mo)	62.76	76.76	14.00	22.31%
Sterling (Zone 1)					
	Small (2,250 gal/mo)	31.33	39.92	8.59	27.42%
	Medium (5,250 gal/mo)	43.67	54.73	11.06	25.33%
	Large (12,000 gal/mo)	71.43	88.06	16.63	23.28%
Champaign* (Zone 1)					
	Small (2,250 gal/mo)	26.72	35.16	8.44	31.59%
	Medium (5,250 gal/mo)	38.29	50.39	12.10	31.60%
	Large (12,000 gal/mo)	64.35	84.66	20.31	31.56%
Pekin					
	Small (2,250 gal/mo)	21.14	28.06	6.92	32.73%
	Medium (5,250 gal/mo)	27.59	35.52	7.93	28.74%
	Large (12,000 gal/mo)	42.11	52.32	10.21	24.25%
Lincoln*					
	Small (2,250 gal/mo)	22.22	31.92	9.70	43.65%
	Medium (5,250 gal/mo)	32.89	46.73	13.84	42.08%
	Large (12,000 gal/mo)	56.90	80.06	23.16	40.70%

* Monthly rate