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March 25, 2015

ICC Sets New Water Rates for Aqua Illinois' Kankakee Division

On Wednesday the Illinois Commerce Commission approved revised water rates for customers served by Aqua Illinois' Kankakee Division. The new rates are expected to generate approximately \$1.8 million in additional annual revenue, an 8.4 percent increase over current revenue.

The Kankakee Division includes the villages of Kankakee, Aroma Park, Bradley, Bourbonnais, Grant Park, Limestone, Manteno, Sun River Terrace and the Illinois Diversatech campus as well as unincorporated areas around the villages and surrounding townships.

Aqua Illinois filed its petition (Docket 14-0419) seeking authorization for a general increase in rates of approximately 9.95 percent or \$2.2 million in May, 2014. After a lengthy financial review, the Commission approved adjustments/reductions to the company's proposal in a number of areas, including rate case expense, working capital, depreciation expense, advertising, charitable expenses and accumulated deferred income taxes.

The Commission also ordered an investigation into all of Aqua Illinois' affiliate services agreements after testimony in the case revealed Aqua Resources, an affiliate of Aqua Illinois, had provided customer information to an unaffiliated company, HomeServe, without Commission approval. HomeServe sells warranty products on service lines to utility customers. The investigation is expected to begin within sixty days of today's order.

The Commission set the new rate of return on equity at 9.81 percent and the overall rate of return at 8.09 percent.

New rates will be reflected in customer bills beginning in April.

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