

Rate adjustment for Illinois American Water approved by Illinois Commerce Commission

December 14 2016 1:00 PM



ALTON – Following an 11-month review, the **Illinois Commerce Commission (ICC)** issued an order adjusting rates for **Illinois American Water**.

Ongoing enhancement and maintenance of the company’s water and wastewater infrastructure to ensure reliable treatment and delivery systems were the main drivers behind the rate change request filed on Jan. 21, 2016.

Included in the rate change request was approximately \$342 million in infrastructure investments across Illinois that was not previously reflected in rates.

“Periodic rate adjustments allow us to continue making critical investments in water plants, pumps and pipelines that help to enhance quality, service reliability, and fire protection for customers,” said **Karen Cooper**, operations superintendent for the Alton

District. “Reliable water service is essential to everyday life and a community’s strong economy.”

Illinois American Water President Bruce Hauk added the company has worked to control costs, reducing operating expenses by about 3 percent since the last rate order, while providing customers with nationally- recognized service. Illinois American Water received the J.D. Power award for ranking “Highest in Customer Satisfaction among Water Utilities in the Midwest” according to J.D. Power’s 2016 Water Utility Residential Customer Satisfaction StudySM. The utility also achieved the highest score in the region for price and communications. Hauk said, “Customer satisfaction is a top priority for our team. J.D. Power’s recognition of our team reinforces our efforts for continuous improvement so we can provide quality service at a fair price.”

The new rates resulting from the order are expected to take effect Jan. 1, 2017. The last change in base rates occurred over four years ago in 2012. Illinois American Water cannot change base rates without ICC approval.

The company estimates, pending final approval from the ICC staff, a residential customer with a 5/8-inch meter in the company’s Alton District using 4,500 gallons of water per month will pay about 12 cents more per day, or \$3.54 more per month. The monthly bill will be approximately \$46.38 (excludes fire protection charges, municipal taxes and franchise fees, which vary by community). Customers will continue to receive quality, reliable water service at a good value.

According to Cooper, local investments included replacing and installing fire hydrants, valves, meters and approximately 6.5 miles of water main. Also included is the installation of an additional high service pump.

The need to upgrade water and sewer systems is a national challenge. In 2013, the American Society of Civil Engineers said an estimated \$1 trillion in capital spending would be needed across the nation over 25 years to replace thousands of miles of pipe, upgrade treatment plants and comply with stricter water quality standards. Illinois American Water is addressing this challenge.

Illinois American Water’s rates are based on the costs of providing water and sewer service as reviewed and approved by the ICC. While many municipally-owned water systems are able to cover costs with taxes, fees and other revenue sources as a way to keep water bills lower, investor-owned, regulated water utilities are required to recover all costs through water rates charged on the customer’s bill.

Customers will receive communication further explaining the rate change. Customers needing assistance paying their water bills can access the company’s H2O Help to

Others program. The Salvation Army administers this program. Customers are urged to contact their local Salvation Army if they need assistance. Information can also be found at www.illinoisamwater.com.