

Dec. 13, 2016

Karen Cotton  
309.566.4126  
karen.cotton@amwater.com

## Rate Adjustment for Illinois American Water Approved by Illinois Commerce Commission

*Rate change request driven by approximately \$342 million of infrastructure investments statewide*

**Belleville, Ill. (Dec. 13, 2016)** – Following an 11-month review, the Illinois Commerce Commission (ICC) today 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. Included in the rate change request was approximately \$342 million in infrastructure investments across Illinois that was not previously reflected in rates.

According to the ICC, the rate order will result in approximately \$35.2 million in additional annual base rate revenue. According to company officials, additional revenues will help Illinois American Water continue to invest proactively in its water and wastewater infrastructure throughout the state.

New rates are expected to take effect Jan. 1, 2017. The last change in base rates for water service and wastewater treatment occurred over four years ago in 2012. Wastewater collection base rates have not increased since 2003.

"Periodic rate adjustments allow us to continue making critical investments in water and wastewater plants, pumps and pipelines that help to enhance quality, service reliability, and fire protection for customers," said Bruce Hauk, president of Illinois American Water. "Reliable water and wastewater service is essential to everyday life and a community's strong economy."

The need to upgrade water and sewer systems is a national challenge. In 2013, the American Society of Civil Engineers said that 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. Hauk said Illinois American Water 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 Study<sup>SM</sup>.

The amount of the rate change customers will experience will vary among the company's operating districts in Alton, Cairo, Champaign, Chicago Metro, Hardin, Lincoln, Interurban (Belleville, East St. Louis and Granite City), Pekin, Peoria, Pontiac, Sterling, Streator and South Beloit. Customers will receive communication further explaining the rate change.

- MORE -

Customers needing assistance paying their water bills can access the company's H<sub>2</sub>O 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](http://www.illinoisamwater.com). For information about the J.D. Power 2016 Water Utility Residential Customer Satisfaction Study<sup>SM</sup> visit <http://tinyurl.com/hbv5t6>

#### **About Illinois American Water**

Illinois American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville.

Illinois American Water ranked "Highest in Customer Satisfaction with Water Utilities in the Midwest" according to J.D. Power's 2016 Water Utility Residential Customer Satisfaction Study<sup>SM</sup>.

American Water is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. Marking its 130th anniversary this year, the company employs 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

###