



NOTICE TO GALENA TERRITORY CUSTOMERS

Galena Territory Utilities, Inc. hereby gives notice to the public that it has filed with the Illinois Commerce Commission (ICC) a proposed change in the rates schedules for water and wastewater service. The table below shows the present rates, which have been in effect since 1987 compared with proposed rates. Galena Territory Utilities, Inc. would like to invite all interested customers to a meeting on April 23, 2010 to discuss the proposed rate increase. This meeting will be held at the Galena Territory Association Owner's Club, 2000 Territory Drive, Galena, IL at 7:00 pm.

RATE REQUEST

Galena Territory Utilities, Inc. is requesting an overall rate increase of \$444,057 per year for water and \$69,970 per year for wastewater.

Water					
	Present			Proposed	
<u>Consumption Charge:</u>				<u>Consumption Charge:</u>	
First 3,000 gallons per month	\$ 6.00	per 1,000 gallons		\$ 9.09	per 1,000 gallons
Over 3,000 gallons per month	\$ 2.52	per 1,000 gallons			
<u>Minimum Monthly Charge:</u>				<u>Base Facility Charge:</u>	
5/8"	\$ 18.00	for 3,000 gallons		\$ 15.23	
3/4"	\$ 18.00	for 3,000 gallons		\$ 15.23	
1"	\$ 23.04	for 5,000 gallons		\$ 38.07	
1.5"	\$ 35.64	for 10,000 gallons		\$ 76.14	
2"	\$ 55.80	for 18,000 gallons		\$ 121.83	
3"	\$ 136.44	for 50,000 gallons		\$ 228.43	
4"	\$ 262.44	for 100,000 gallons		\$ 380.72	
6"	\$ 766.44	for 300,000 gallons		\$ 761.45	

Sewer				
Residential Monthly Rate	\$ 19.72	per dwelling unit		\$ 26.28
Commercial Monthly Rate	\$ 19.72	per single-family equivalent		\$ 26.28

Assuming an average residential consumption of 2,163 gallons, the monthly charge for residential water service will increase from \$18.00 to \$34.89.

Customers should be advised that the Illinois Commerce Commission may alter or amend the rates or conditions of service after hearings held pursuant to 83 Illinois Administrative Code Part 200 and may increase or decrease individual rates in amounts other than those requested by the Company. An interested party may file a petition to intervene in the hearings pursuant to 83 Ill. Admin. Code Part 200.

A copy of the proposed change in rate schedules may be inspected by any interested party at the business office of the Company at 2335 Sanders Road, Northbrook, Illinois 60062. All parties' interest in the matter may obtain information with respect to thereto either directly from Galena Territory Utilities, Inc. or by addressing the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62701. In addition, customers have a right to request a public forum. Pursuant to 8-306(n) of the Illinois Public Utilities Act, a customer or group of customers must make written request to the Commission for a public forum and must also provide written notification of the request to the customer's municipal or, for unincorporated areas, township government.

BACKGROUND

The last rate increase for your water and wastewater system occurred in 1987. The increase is needed to recover capital that the company has invested between 1987 and December 2009 to improve the quality and reliability of your water and wastewater services.

Specifically, Galena Territory Utilities, Inc. capital improvements since 2000:

Water System:

1. New Resort Core Well Drilled
Drill a new 10" well to a depth of 650 ft. The existing well's capacity was depleting and was not going to have the ability to meet the system demands during high water usage periods. A new ground water source was located and the new 10" well was drilled to a depth of 650 ft. to take place of the existing well.
2. New Shenandoah Well 1B Drilled
The existing Well 1 was drilled in the same aquifer as the Resort Core Well and was showing the same capacity issue. A new ground water source was located and the new 8" well was drilled to the depth of 642 ft. replacing the existing well.
3. Reroute Approximately 100' of 6" PVC Water Main
The water main had to be relocated due to road widening and waterway culvert installation.
4. Replace Pump Assembly in Eagle Ridge Well
This well has lost production over the years. Airburst technology and chemical treatment was introduced into the well in order to restore the well to its original design capacity of 219 gpm or 0.315 MGD.
5. Replace Worn Pump and Motor at Resort Well
Replacement of well pump and motor due to cascading/abrasives; due to well water quality, this well has since been abandoned and sealed and a new well drilled in 2005.
6. Rehab Shenandoah Well 2B
This well has lost production over the years. Airburst technology and chemical treatment was introduced into the well in order to restore the well to its original design capacity of 170 gpm or 0.245 MGD.
7. Engineering Well 2 Rehab Eagle Ridge
Engineering study to provide the best options of radium removal and to quantify cost efficiencies to meet IEPA compliance standards.
8. Emergency Well 2 Rehab Eagle Ridge
Airburst technology conducted on well to clean aquifer, improve and regain well supply capacity and water quality; pump/motor replaced during process due to mechanical failure.
9. Emergency Well 1 Thunder Bay
Airburst technology conducted on well to clean aquifer, improve and regain well supply capacity and water quality; pump/motor replaced during process due to mechanical failure.
10. Engineering Study for System Upgrades and Hydraulic Model
Complete facility system's study to see what areas of capital improvements may be needed to meet future supply demands.
11. Radium Resort Core
Purchase and install radium reduction equipment for solution at Resort Core Well
12. Leak Study
System wide leak study was performed to reduce unnecessary operation and maintenance costs.
13. Thunder Bay Well #2 Rehab
The motor failed due to age and the pump and motor were replaced.
14. Replace Lift Station #4
The pump had failed and it was decided to replace it with a new one.

Galena Territory Utilities, Inc. believes it is operating in a prudent and responsible manner and is deserving of the proposed increase in water rates and has filed this request with the ICC.