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Illinois American Water Implements Solar Power at Peoria Office

Project will decrease energy costs by approximately 77 percent

Peoria, III. (July 18, 2012) —Construction will begin this week to install solar power at Illinois American Water's Peoria District distribution office building located at 8400 North University in Peoria. A solar rebate from the Illinois Department of Commerce and Economic Opportunity and a federal tax credit will help to fund this investment.

Illinois American Water received approximately \$165,000 through the Illinois Department of Commerce and Economic Opportunity's Community Solar and Wind Grant Program for the installation of a 90.45 kW solar energy system. The company will also receive a 30 percent federal tax credit to help offset installation costs.

"This new solar power system will provide an environmentally friendly energy source to our office in Peoria while reducing energy cost by about 77 percent," said Karla Olson Teasley, president of Illinois American Water.

The solar structures will be installed by local contractors working with Day & Night Solar and CMS Renewables. In addition to producing electricity the solar power systems will also produce annual Solar Renewable Energy Credits (SREC's). SREC's can be purchased within the market place by other businesses, governments, military and utilities to help them in meeting renewable energy power requirements.

According to Chris Johnson, Senior Operations Manager for the Peoria District, "This project supports our company's commitment to control costs. In time this investment will not only pay for itself but will help offset rising energy costs, which ultimately benefits our customers."

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 more than 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs more than 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in more than 30 states, as well as parts of Canada. More information can be found by visiting <u>www.amwater.com</u>.