

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

| | | |
|--|---|---------|
| New Landing Utility, Inc. | : | |
| | : | 04-0610 |
| Proposed general increase in water and | : | |
| Sewer rates. | : | |

MOTION REQUESTING THE ILLINOIS COMMERCE COMMISSION
TO AUTHORIZE THE FILING OF A PETITION IN THE ILLINOIS CIRCUIT COURT TO
SEEK THE APPOINTMENT OF A RECEIVER AND TO ORDER THE COMPANY TO
DESIST FROM MAKING PAYMENTS TO AFFILIATED INTERESTS FOR WHICH NO
COMMISSION APPROVED AFFILIATED INTEREST AGREEMENT EXISTS

NOW COMES the Staff of the Illinois Commerce Commission (“Staff”), through its undersigned counsel, and pursuant to 83 Ill. Adm. Code Sec. 200.190 and, respectfully requests the Illinois Commerce Commission (“Commission”) to authorize the filing of a petition in circuit court, pursuant to 220 ILCS 5/4-501 of the Public Utilities Act (“the Act”), requesting an order attaching the assets of New Landing Utility, Inc. (“New Landing” or “Company” or “NLU”) and placing it under the control of a receiver and to order New Landing to desist from making payments to affiliated interests for which no Commission approved affiliated interest agreement exists. In support of this motion, Staff states as follows:

1. On September 3, 2004, New Landing filed tariffs for a proposed general increase in rates pursuant to Section 9-201 of the Act. (220 ILCS 5/9-201) The Commission entered an order suspending the tariffs and initiating this proceeding, Docket No. 04-0610, on October 6, 2004. The Commission entered an order resuspending the tariffs on January 20, 2005.

2. New Landing is a small utility which provides water service to approximately 310 residential customers and sewer service to approximately 160 residential customers. (Direct Testimony of Gene L. Armstrong, filed on e-Docket September 24, 2004 (“Armstrong TTY”), pp. 3-4)

3. During the course of its investigation into the propriety of New Landing’s rates, classification, contracts, practices, rules and regulations in connection with its rate filing, the Staff has come to the conclusion that at this time New Landing:

- a. is unable or unwilling to provide safe, adequate, or reliable service;
- b. no longer possesses sufficient technical, financial or managerial resources and abilities to provide safe, adequate, or reliable service;
- c. has been actually or effectively abandoned by its operators;

See 220 ILCS 5/4-501(a).

4. The Commission should file a petition for receivership asking the circuit court for an order attaching the assets of New Landing and placing it under the control and responsibility of a receiver pursuant to Section 4-501(a) of the Act.

5. In addition, New Landing has a pattern of making payments in regards to unapproved affiliated interest transactions, while failing to pay operating expenses. The Commission should order New Landing to cease from making payments to affiliates for whom no agreement has received Commission approval.

A. Unable or Unwilling to Provide Safe, Adequate, or Reliable Service

6. Evidence has been presented that the water and sewer facilities have not been adequately maintained on a long-term basis and that New Landing is not in compliance

with numerous regulations promulgated by the Commission and by the Illinois Environmental Protection Agency ("IEPA").

7. New Landing does not provide safe, adequate and reliable water service by reason of the fact that it has not replaced undersized water mains. Further, the Company, did not until ordered on September 28, 2004 by the Ogle County Circuit Court in the IEPA suit against New Landing and Gene L. Armstrong, individually and as the President of New Landing, Docket No. 2000-CH-97, install flushing hydrants on dead-end water mains in the water distribution system. (Supplemental Direct Testimony of Gene L. Armstrong) As a result of this neglect, New Landing customers have experienced extended outages due to water main breaks, repeated bouts of very low water pressure, dirty, odorous, or discolored water, damaged plumbing fixtures and appliances. (AG Ex. 4.0, p. 9) Customers also complain of rock, sand, debris, and sediment in the water lines resulting in jammed water meters and damage to customers' appliances and plumbing fixtures including hot water heaters and dishwaters. (Id., p. 9-11)

8. New Landing has been put on notice of these deficiencies over a period of years as demonstrated by various IEPA notices dated December 2, 1993 and June 24, 2003 attached to Mr. Hansen's testimony. (AG Ex. 2, Sch. 2 and Sch. 3) Notice was also provided by Staff in letters dated June 15 and August 4, 2004. (ICC Staff Ex. 9.0, Att. A and B)

9. New Landing does not provide safe, adequate and reliable sewer service by reason of the fact that it has not maintained its sewer system. This deficiency has resulted in many of the mechanical units, particularly most of the pumps, two of the

blowers, the polymer feed system, tanks, effluent flow meter and standby electric generator being out of service. Aeration is inadequate in the process aeration tank. Sludge has not been removed from the sewer system for many years. (AG Ex. 3, pp. 4-5) There is an odor problem, malfunctioning air handling equipment, and a non-functioning heating unit. (Ag Ex. 4.1, pp. 4-5) In addition, there have been chronic excursions, or variations from requirements on the Discharge Monitoring Report, including apparent violations of the carbonaceous biochemical oxygen demand ("CBOD"), total suspended solids, ammonia nitrogen, total chlorine residual and fecal coli form effluent limits. (Id.)

10. New Landing has been put on notice of these deficiencies over a period of years as demonstrated by various IEPA notices listed in Mr. Connor's testimony dated from August 16, 1985 through January 3, 2005. (Id., pp. 9-12) In addition, copies of notices sent on January 30, 2003 and July 9, 2004 were attached to Mr. Connor's testimony. (AG Ex. 3, Sch. 2 and Sch. 3) Notice was also provided by Staff in letters dated June 15 and August 4, 2004. (Staff Ex. 9.0, Att. A & B)

11. Safe, adequate, and reliable service is jeopardized by the Company's failure to seal abandoned wells. (See AG Ex. 2, Sch. 1, p. 2, AG Ex. 2, Sch. 2, p. 5, AG Ex. 2, Sch. 3, pp. 3& 10) Once again, the Company, did not, until ordered on September 28, 2004 by the Ogle County Circuit Court in the IEPA suit, seal the abandoned wells. (Supplemental Direct Testimony of Gene L. Armstrong)

12. Safe, adequate, and reliable service is jeopardized by the Company's failure to maintain the water storage tank or provide a proper overflow pipe for it. (See AG Ex. 2, pp. 7-8, Sch. 1, pp. 2, 5, 6, AG Ex. 2, Sch. 2, p. 9, AG, Ex. 2, Sch. 3, pp.3-4, 11)

13. Safe, adequate, and reliable service is being jeopardized by the Company's failure to pay the certified water operator, Mr. Willard Cox. Mr. Cox indicated by affidavit in February of 2005, that he had not been paid for his work in October, November, or December of 2004, or for the work performed in January or February of 2005. Mr. Cox indicated that if he were not paid the balance due, he intended to resign as New Landing's Certified Water Operator at the end of February. (See Attachment A, Affidavit of Willard Cox¹)

14. Safe, adequate, and reliable service is jeopardized by the Company's failure to pay the Company that does the necessary repair and maintenance work necessary to operate the system, Pfoutz Electric Service, Inc ("Pfoutz"). (See Attachment B, affidavit of Lysa M. Haenitsch, office manager and bookkeeper of Pfoutz) This is corroborated by New Landing's statement that in its motion for emergency interim rates, that absent Commission allowance of emergency rates, it "will be unable to assure that contractors will be available to perform repair and maintenance on the utility systems, or be available to install customer service connections." (See Motion of New Landing Utility, Inc. for Order Which Sets Emergency Interim Rates, p. 5)

15. The IEPA brought suit in Ogle County Circuit Court against New Landing and Gene Armstrong, individually and as the President of New Landing, Docket No. 2000-CH-97. On September 28, 2004, that court entered judgment against the defendants. (AG Ex. 4, Sch. SJR-2) The court found for the plaintiffs and against the defendants in that the defendants failed to properly abandon inactive wells (Id., ¶ 6-7), failed to

¹ Staff understands that New Landing stipulated to the affidavit when it was used in the Ogle County proceeding.

properly flush the hydrants (Id., ¶ 13), and failure to properly maintain the tank, both as to access and painting. (Id., ¶ 11)

B. No Longer Possesses Sufficient Technical, Financial Or Managerial Resources And Abilities To Provide Safe, Adequate, Or Reliable Service

16. Evidence has been presented that New Landing no longer possesses sufficient technical, financial or managerial resources and abilities to provide safe, adequate, or reliable service.

1. Financial

17. New Landing has not been paying its obligations in a timely fashion and the financial condition of New Landing is in a deteriorating condition.

18. In Docket Nos. 79-0673/0675 Cons., by order issued January 14, 1981, the Commission authorized NLU to issue a mortgage note in an amount not to exceed \$170,534. (Attachment C, Order, pp. 16-17) The note was payable 15 years from date, with interest at prevailing prime rate. (Order, pp. 15-17) However, according to the testimony of Mr. Armstrong filed on September 24, 2004, payments on the principal were not paid, but were accrued as they came due. The entire principal amount remains unpaid and substantially all of the interest remains unpaid. (Armstrong TTY, p. 8.)

19. Similarly \$248,000 remains due under a letter agreement authorized by the Commission at the same time. (Armstrong TTY, p. 9.)

20. Although the obligations arise from the Commission Order in Docket No. 79-0675, entered January 14, 1981, the Company states in its testimony for the 2004 rate

case that “[t]he present rates have never generated enough revenue to enable NLU to pay these obligations.” (Armstrong TTY, p. 9)

21. As discussed above, New Landing is in arrears in making payments to its certified water operator and to the company upon which it relies for repair and maintenance.

22. In his Direct Testimony, Mr. Armstrong states that “Our rates no longer generate revenue sufficient to pay our suppliers on a timely basis. ... NLU also owes those who provide repair and installation services and provide other goods and services it needs to conduct day-to-day operations and pay its other obligations.” (Armstrong TTY, pp. 5-6)

23. On December 31, 2003, New Landing had a negative equity balance on its balance sheet. (ICC Staff Ex. 3.0, p. 24, citing NLU ILCC Form 21 Balance Sheet.) The Company’s negative equity balance continues to grow. (Armstrong TTY, p. 13.) Thus, the utility is running at a deficit.

24. New Landing itself does not believe that any informed investor would be willing to provide it new debt or equity capital. (See Attachment D, Company responses to ICC Staff data requests FD-8 and FD-9)

25. The foregoing dire financial circumstances coupled with the 23 year lag between rate cases lead to the conclusion that New Landing no longer possesses the financial resources and abilities to provide safe, adequate, or reliable service.

2. Managerial

26. New Landing’s management is not capable of providing safe, adequate, or reliable service to customers.

27. The Company's president and owner, Gene L. Armstrong, has over 30 years experience practicing public utility law in Illinois. He has worked on cases before the Commission on behalf of Commonwealth Edison, and many different water or water and sewer utilities relating to rate relief, affiliated interest transactions, certificates of public convenience and necessity, approval of financial structures, authority to issue securities and determinations of original cost of plant facilities. (Armstrong TTY, pp. 2-3.)

28. The Commission's Order in Docket Nos. 79-0673/0675 Cons. indicates AMI owns 100% of New Landing's common stock (Attachment C, Order, p. 2.) However, on May 24, 1984, DAME Co., a wholly-owned company of Gene L. Armstrong, acquired all of New Landing's stock. (Attachment E, Company response to ICC Staff data request FD-12.) New Landing failed to request or receive Commission approval under Section 7-203 of the Act for that stock transfer.

29. The Commission's Order in Docket Nos. 79-0673/0675 Cons. authorized New Landing to borrow up to \$170,534, payable 15 years from date, with interest at prevailing prime rate, from AMI and the said Note was not transferable without prior Commission approval. (Attachment C, Order, pp. 15-17) Currently, DAME Co. holds the unpaid Note (Attachment F, Company response to ICC Staff data request FD-7). As discussed above, to date no principle and substantially none of the interest has been repaid in the 23 years since the issuance of the Note. Thus, not only have the terms of the Note been changed, but it was transferred to a new holder without Commission approval, which is directly contrary to the Commission's Order in Docket Nos. 79-0673/0675 Cons.

30. Under current management, New Landing has failed to file federal and state income tax returns as required under federal and Illinois law. (ICC Staff Ex. 2.0-R, p. 11, lines 203-209)

31. Despite Mr. Armstrong's (the Company president) experience with public utilities, the Act, and proceedings before the Commission, the Company has repeatedly disregarded and/or defied Commission orders and the Act.

32. All of the foregoing leads to the conclusion that New Landing no longer possesses sufficient managerial resources and abilities to provide safe, adequate, or reliable service.

3. Technical

33. As discussed in Paragraphs 11, 12, and 22 above, and 37 below, New Landing is in arrears in payments to its certified water operator and to Pfoutz Electric, the company which performs maintenance and repairs for the utility, jeopardizing the ability of the Company to assure that qualified persons are available to perform technical functions.

34. Due to the financial and managerial deficiencies addressed in detail above, New Landing no longer possesses sufficient technical resources and abilities to provide safe, adequate, reliable service.

C. The Company Should Desist From Making Payments To Affiliated Interests For Which No Commission Approved Affiliated Interest Agreement Exists

35. As is evidenced by the Notice of the People of the State of Illinois of Additional Evidence and the attachments thereto as well as the Second Supplemental Testimony of Thomas Griffin (ICC Staff Ex. 11.0, pp. 4 - 7), despite New Landing's financial difficulties, the utility has been making payments to affiliated interests, for which no Commission approved affiliated interest agreement exists.

36. This activity is clearly in violation of Section 7-101 of the Act, which provides that “[e]very contract or arrangement not consented to or excepted by the Commission... is void.” (220 ILCS 5/7-101(3))

37. The Company itself acknowledged its financial difficulties on January 11, 2005 when it filed its Motion of New Landing Utility, Inc. for Order which Sets Emergency Interim Rates. In support of its Motion, the Company states, in part:

In light of the economic realities of 2005, it is virtually impossible for NLU to afford to conduct its public utility business on a stream of income generated by rates which, at best, reflected the economic realities of 1980.

...

Because its current rates are insufficient, NLU has been unable to keep current on its obligations to pay legal fees to the attorneys in Ogle County who were retained to help NLU defend against the claims asserted in the Ogle County Cases. ...

Because its current rates are insufficient, NLU is substantially delinquent in payments to the contractor it relies upon to perform repairs on utility facilities, to maintain its utility facilities and to install customer service connections. ...

Because its current rates are insufficient, NLU is consistently delinquent in payments to suppliers who provide chemicals and perform testing services. ...

38. Again, at a status hearing held on February 16, 2005, counsel for New Landing stated “In addition, given the limited resources of the utility, they need to be focusing on paying its own bills initially and making their ends meet with respect to their customers.” (Transcript, p. 160)

39. However, despite not paying its attorneys, contractors or chemical suppliers, in 2004, the Company has consistently paid the following:

- Matthew Armstrong who is an independent contactor serving as billing clerk and who is the son of Gene L. Armstrong (Company response to data request AG 4.17);
- Ann H. Armstrong who is an independent contractor also paid for various accounting services and who is the wife of Gene L. Armstrong (Company response to data request AG 4.7);
- Ann H. Armstrong who has been paid rent for use of space at the family residence and who is the wife of Gene L. Armstrong(Id.);
- CAM Properties, an Illinois partnership, which leases space to the Company and which Gene L. Armstrong, Company President, is the majority partner (Armstrong TTY, p. 3); and
- Gene L. Armstrong & Associates, P.C., which has provided legal services to the Company and which Gene L. Armstrong, Company President, is President and majority shareholder (Armstrong TTY, p. 2).

40. The Company has not sought Commission approval of any of the affiliated agreements between the Company and Gene L. Armstrong's businesses until recently. On November 9, 2004, the Company, in Docket 04-0666, filed its petition for the approval for affiliated agreements with Gene L. Armstrong & Associates, P.C. and CAM Properties. The Company has never sought Commission approval of any of the affiliated agreements between the Company and Gene L. Armstrong's family.

41. Staff is concerned that the pattern of such payments to Company President Gene L. Armstrong's family and businesses is continuing at a time when the Company's contractors are threatening to resign (See Attachment A, Affidavit of Willard Cox) and

chemical suppliers are not being paid (as noted in the Company's Motion for Order which Sets Emergency Interim Rates).

42. In light of Mr. Armstrong's experience with the Commission and the Act, Staff is very concerned that the Company's current management is not capable of making decisions that would enable the Company to provide safe, adequate, or reliable service to customers or to abide by federal and state laws.

43. For all the foregoing reasons, the Company should be prohibited from making any payments to affiliated interests, including but not limited to Matthew Armstrong, Ann H. Armstrong, CAM Properties, Dame Co., and Gene L. Armstrong and Associates, until such time as the Commission has approved or excepted the contract or agreement between the utility and the affiliated interest.

44. Granting the requested relief is in the public interest. Preventing the payments to Gene L. Armstrong's family and businesses until such time as they are provided for in a Commission approved affiliate agreement will stop further deterioration of utility assets.

WHEREFORE, for the foregoing reasons Staff respectfully requests the Commission to:

- A. Authorize the filing of a petition for receivership in circuit court, pursuant to 220 ILCS 5/4-501 of the Public Utilities Act, requesting an order attaching the assets of New Landing Utility, Inc. and placing it under the control and responsibility of a receiver.
- B. Order the Company to desist from making payments to affiliated interests for which no Commission approved affiliated interest agreement exists

until such time as the Commission has approved an agreement between the Company and the affiliated interest; and

- C. Allow such other and further relief, as this Commission deems appropriate.

March 30, 2005

Respectfully submitted,



JANIS E. VON QUALEN
Staff Attorney

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Illinois Commerce Commission

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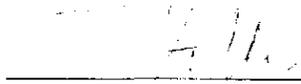
VERIFICATION

I, Thomas L. Griffin, being first duly sworn, depose and state that I am an Accountant in the Accounting Department of the Financial Analysis Division of the Illinois Commerce Commission; that I have read the foregoing Motion Requesting The Illinois Commerce Commission To Authorize The Filing Of A Petition In The Illinois Circuit Court To Seek The Appointment Of A Receiver And To Order The Company To Desist From Making Payments To Affiliated Interests For Which No Commission Approved Affiliated Interest Agreement Exists and know the contents thereof; and that the statements contained in the Motion are true, correct to the best of my knowledge, information and belief.



Thomas L. Griffin
Illinois Commerce Commission

Subscribed and sworn to before me
this 30th day of March, 2005.



Notary Public

ATTACHMENT A

STATE OF ILLINOIS)
)
COUNTY OF OGLE) SS.

AFFIDAVIT

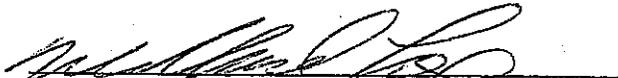
I, Willard "Rusty" Cox, being first duly sworn, on oath state:

1. I am the Superintendent of the Dixon Water Department.
2. I am also the Certified Water Operator In Charge of the New Landing Utility, Inc. ("NLU") public water supply located in Ogle County, Illinois, and have been since the spring of 2001.
3. My agreement with Gene Armstrong, President of NLU, is to be paid \$500.00 per month for the services I provide as the Certified Water Operator.
4. Ever since becoming the Certified Water Operator for NLU, Gene Armstrong has consistently paid me late.
5. The last time Gene Armstrong paid me for my service was in September 2004.
6. Armstrong has not paid me for the work I did in October, November, December of 2004, or January and February of 2005.
7. NLU owes me \$2,500.00 for the work I did these last five months.

Page Two
Cox Affidavit

7. If I am not paid the full \$2,500.00 by the end of
February, I intend to resign as NLU's Certified Water Operator.

Further affiant sayeth not.


Willard "Rusty" Cox

Subscribed and sworn to before
me on February _____, 2005

Notary Public

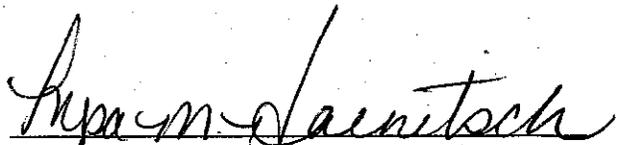
ATTACHMENT B

AFFIDAVIT

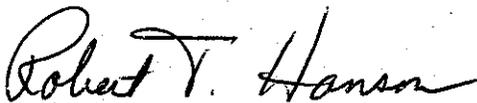
Now comes LYSA M. HAENTTSCH under oath and states as follows:

1. I am the office manager and bookkeeper of Pfoutz Electric Service, Inc. located at 116 W. South Street, Franklin Grove, Illinois 61031.
2. As part of my duties as office manager and bookkeeper for Pfoutz Electric Service, Inc., I am responsible for generation of invoices as well as responsible for accounts receivable and am keeper of all the business records of the company.
3. From September 1, 2004 through January 31, 2005, our company provided plumbing and electrical services to New Landing Utility, Inc. located at 1010 Lakeside Drive, Dixon, Illinois 61021. The services were done at the request of the New Landing Utility, Inc.
4. The services included, but were not limited to installation of pipe, valves, new flushing hydrants, sealing of abandon wells and other miscellaneous repairs and services requested by New Landing Utility, Inc.
5. As of the date of this Affidavit, there remains due and owing to our firm by New Landing Utility, Inc. the sum of \$26,730.14 for work, services and materials as set forth above.
6. Demands have been made of New Landing Utility, Inc. for payment in full and New Landing Utility, Inc. has refused to pay the amount owed.
7. Attached hereto are the invoices for the work, services and materials as set forth above.

FURTHER AFFIANT SAYETH NOT.


LYSA M. HAENTTSCH

Subscribed and sworn to before me this
26th day of February, 2005.



Notary Public



Pfoutz Electric Service, Inc.

P.O.Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|----------|-----------|
| DATE | INVOICE # |
| 9/1/2004 | 8171 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|----------|--|--------|---------|
| | | PVC SCH80 Pipe And Fittings, Westinghouse 100amp Breaker And Repaired Sludge Motor For Sewer Plant | | |
| | 5 | 3" PVC Sch 80 Tee | 14.58 | 72.90T |
| | 6 | 3" x 1-1/2" PVC Sch80 Bushing | 11.84 | 71.04T |
| | 1 | 3" PVC Sch80 90 | 7.94 | 7.94T |
| | 6 | 1-1/2" PVC Sch80 Unions | 9.09 | 54.54T |
| | 6 | 1-1/2" PVC Sch80 Tees | 8.58 | 51.48T |
| | 12 | 1-1/2" PVC Sch80 90 | 2.49 | 29.88T |
| | 12 | 1-1/2" x 1/2" PVC Sch80 NPT Female Bushing | 3.24 | 38.88T |
| | 40 | Ft. 1-1/2" PVC Sch80 Pipe | 1.25 | 50.00T |
| | 20 | Ft. 3" PVC Sch80 Pipe | 3.63 | 72.60T |
| | 1 | Westinghouse EB3100 100amp 3 Phase Circuit Breaker | 568.20 | 568.20T |
| | | Sludge Motor Repair | 193.50 | 193.50 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$63.59

Total \$1,274.55

2-1005 Rec'd Payment 25523 10/9/32

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
116 West South Street
Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 9/28/2004 | 8270 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|---|-------|--------|
| 9/27/2004 | | Repaired Relay Contactor For Sewage Pump Service Call - Stan | 67.50 | 67.50 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$0.00

Total \$67.50

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

Invoice

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8563 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|--|------------------|------------------|
| 12/6/2004 | | Installed New Flushing Hydrant At Mulberry Lane | | |
| | 1 | 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" x 1-1/4" Brass Bushing | 7.59 | 7.59T |
| | 1 | 1-1/4" x 3/4" Brass Bushing | 10.70 | 10.70T |
| | 1 | 3/4" Compression Male Adapter | 14.78 | 14.78T |
| | 1 | 3/4" Compression Tee | 39.14 | 39.14T |
| | | Backhoe & Operator Labor | 300.00 450.00 | 300.00 450.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$37.66

Total \$1,390.17

Please Circle One
 Master Card **Visa** Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8563 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| SERVICED | QUANTITY | DESCRIPTION | RATE | TERMS |
|-----------|----------|--|------------------|------------------|
| | | | | 15 Days |
| | | | | AMOUNT |
| 12/6/2004 | | Installed New Flushing Hydrant At Mulberry Lane | | |
| | 1 | 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" x 1-1/4" Brass Bushing | 7.59 | 7.59T |
| | 1 | 1-1/4" x 3/4" Brass Bushing | 10.70 | 10.70T |
| | 1 | 3/4" Compression Male Adapter | 14.78 | 14.78T |
| | 1 | 3/4 Compression Tee | 39.14 | 39.14T |
| | | Backhoe & Operator Labor | 300.00 450.00 | 300.00 450.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$37.66

Total \$1,390.17

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8564 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| SERVICED | QUANTITY | DESCRIPTION | RATE | TERMS |
|-----------|----------|--|---------|---------|
| | | | | 15 Days |
| | | | | AMOUNT |
| 12/3/2004 | 1 | Installed New Flushing Hydrant At Blackberry Circle 77 Mainguard Flush Hydrant 6' 0" W2/2" Fip Bottom Inlet | 508.725 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" PVC Sch 80 Pressure Male Adapter | 17.75 | 17.75T |
| | 1 | 2" Omni Coupling 441-0263-900 | 54.44 | 54.44T |
| | 1 | PVC 2" Sch 80 Tee | 11.25 | 11.25T |
| | 2 | 2" PVC Sch. 80 Coupling | 10.22 | 20.44T |
| | | Backhoe & Operator | 900.00 | 900.00 |
| | | Labor | 900.00 | 900.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$39.64

Total \$2,473.82

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8564 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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| SHIP TO |
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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|---|---------|---------|
| 12/3/2004 | 1 | Installed New Flushing Hydrant At Blackberry Circle 77 Manguard Flush Hydrant 6' 0" W2/2" Fip Bottom Inlet | 508.725 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" PVC Sch 80 Pressure Male Adapter | 17.75 | 17.75T |
| | 1 | 2" Omni Coupling 441-0263-900 | 54.44 | 54.44T |
| | 1 | PVC 2" Sch 80 Tee | 11.25 | 11.25T |
| | 2 | 2" PVC Sch. 80 Coupling | 10.22 | 20.44T |
| | | Backhoe & Operator | 900.00 | 900.00 |
| | | Labor | 900.00 | 900.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$39.64

Total \$2,473.82

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8565 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|--------|---------|
| 11/30/2004 | 1 | Installed New Flushing Hydrants At Woodland Drive | | |
| | | 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" PVC Sch. 80 Coupling | 10.22 | 10.22T |
| | | Backhoe & Operator | 450.00 | 450.00 |
| | | Labor | 450.00 | 450.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$33.78

Total \$1,474.30

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/7/2004 | 8565 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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| SHIP TO |
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| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|--------|---------|
| 11/30/2004 | | Installed New Flushing Hydrants At Woodland Drive | | |
| | 1 | 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" PVC Sch. 80 Coupling | 10.22 | 10.22T |
| | | Backhoe & Operator Labor | 450.00 | 450.00 |
| | | | 450.00 | 450.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

| | |
|--------------------------|---------|
| Sales Tax (6.25%) | \$33.78 |
|--------------------------|---------|

| | |
|--------------|------------|
| Total | \$1,474.30 |
|--------------|------------|

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| DATE | INVOICE # |
|-----------|-----------|
| 12/8/2004 | 8566 |

| BILL TO |
|---|
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| SHIP TO |
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| TERMS |
|---------|
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|---|------------------|------------------|
| 12/1/2004 | | Installed New Flushing Hydrant Between Oak Dr. And Woodland Dr. | | |
| | 1 | 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2" Sch 40 Male Adapter | 2.81 | 2.81T |
| | 1 | 2" PVC Sch. 80 Coupling | 10.22 | 10.22T |
| | 1 | 2" Omni Coupling 441-0263-900 | 54.44 | 54.44T |
| | 1 | PVC 2" Sch 80 Tee | 11.25 | 11.25T |
| | | Backhoe & Operator Labor | 375.00 405.00 | 375.00 405.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$38.06

Total \$1,427.08

Please Circle One
 Master Card **Visa** Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| Phone # | Fax # |
|--------------|--------------|
| 815-456-2421 | 815-456-2751 |

Pfoltz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 12/8/2004 | 8566 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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| SHIP TO |
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| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|---|--------|---------|
| 12/1/2004 | | Installed New Flushing Hydrant Between Oak Dr. And Woodland Dr. | | |
| | | 1 77 Mainguard Flush Hydrant 6' 0" W/2" Fip Bottom Inlet | 508.73 | 508.73T |
| | | 1 2" Brass Str. 90 | 21.57 | 21.57T |
| | | 1 2" Sch 40 Male Adapter | 2.81 | 2.81T |
| | | 1 2" PVC Sch. 80 Coupling | 10.22 | 10.22T |
| | | 1 2" Omni Coupling 441-0263-900 | 54.44 | 54.44T |
| | | 1 PVC 2" Sch 80 Tee | 11.25 | 11.25T |
| | | Backhoe & Operator | 375.00 | 375.00 |
| | | Labor | 405.00 | 405.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$38.06

Total \$1,427.08

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

F.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/16/2004 | 8609 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
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| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|------------------|------------------|
| 12/14/2004 | | Installed Fire Hydrants At Timber Trail Dr. A423 5-1/4VO Hydrant 5' 6"B 6MJ NST 3Way O/L W/ACC 501147 423-500069 With Megaliths Bolts And Gaskets | 2,375.12 | 2,375.12T |
| 12/14/2004 | | Backhoe & Operator Labor | 450.00 990.00 | 450.00 990.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$148.45

Total \$3,963.57

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card **Visa** Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/16/2004 | 8609 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
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| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|------------------|------------------|
| 12/14/2004 | | Installed Fire Hydrants At Timber Trail Dr. A423 5-1/4VO Hydrant 5' 6"B 6MJ NST 3Way O/L W/ACC 501147 423-500069 With Megaliths Bolts And Gaskets | 2,375.12 | 2,375.12T |
| 12/14/2004 | | Backhoe & Operator Labor | 450.00 990.00 | 450.00 990.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days.

| | |
|--------------------------|----------|
| Sales Tax (6.25%) | \$148.45 |
|--------------------------|----------|

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|--------------|------------|
| Total | \$3,963.57 |
|--------------|------------|

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| DATE | INVOICE # |
|------------|-----------|
| 12/22/2004 | 8626 |

| BILL TO |
|---|
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| SHIP TO |
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| |

| TERMS |
|---------|
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|--------|--------|
| 12/21/2004 | | Transferring From Contracting & Material Company Account | | |
| | | Repaired 3/4" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | | 7 Ft. 3/4" 160 PSI IPS Poly Pipe | 0.40 | 2.80T |
| | | 2 3/4" Heavy Brass Barb Coupling | 5.35 | 10.70T |
| | | 8 3/4"-1" SS Hose Clamp | 1.67 | 13.36T |
| | | Backhoe & Operator | 150.00 | 150.00 |
| | | Labor - Roger | 90.00 | 90.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$1.68

Total \$268.54

| Phone # | Fax # |
|--------------|--------------|
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card **Visa** Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/22/2004 | 8625 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
| |

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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|----------------|-----------------|
| 12/20/2004 | | Transferring From Contracting & Material Company Account | | |
| | | Repaired 2" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | | 1 2" Omni Coupling 441-0263-900 | 71.85 | 71.85T |
| | | 1 PVC 2" Coupling | 2.49 | 2.49T |
| | | 2 Ft. 2" Sch 80 Pipe Labor | 1.23 180.00 | 2.46T 180.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

| | |
|--------------------------|--------|
| Sales Tax (6.25%) | \$4.80 |
|--------------------------|--------|

| | |
|--------------|----------|
| Total | \$261.60 |
|--------------|----------|

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| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/22/2004 | 8626 |

| |
|--|
| BILL TO |
| Contracting & Material Co. 9550 West 55th Street Suite A Countryside, IL 60525 |

| |
|----------------|
| SHIP TO |
| |

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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|---|--------|--------|
| 12/21/2004 | | Repaired 3/4" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | 7 | Ft. 3/4" 160 PSI IPS Poly Pipe | 0.40 | 2.80T |
| | 2 | 3/4" Heavy Brass Barb Coupling | 5.35 | 10.70T |
| | 8 | 3/4"-1" SS Hose Clamp | 1.67 | 13.36T |
| | | Backhoe & Operator | 150.00 | 150.00 |
| | | Labor - Roger | 90.00 | 90.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$1.68

Total \$268.54

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| DATE | INVOICE # |
|------------|-----------|
| 12/22/2004 | 8625 |

| BILL TO |
|--|
| Contracting & Material Co. 9550 West 55th Street Suite A Countryside, IL 60525 |

| SHIP TO |
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| |

| TERMS |
|---------|
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|--------|--------|
| 12/20/2004 | | Repaired 2" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | | 1 2" Omni Coupling 441-0263-900 | 71.85 | 71.85T |
| | | 1 PVC 2" Coupling | 2.49 | 2.49T |
| | | 2 Ft. 2" Sch 80 Pipe | 1.23 | 2.46T |
| | | Labor | 180.00 | 180.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$4.80

Total \$261.60

Please Circle One
 Master Card **Visa** Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| Phone # | Fax # |
|--------------|--------------|
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

Invoice

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/22/2004 | 8626 |

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|--|
| BILL TO |
| Contracting & Material Co. 9550 West 55th Street Suite A Countryside, IL 60525 |

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|----------------|
| SHIP TO |
| |

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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|---|--------|--------|
| 12/21/2004 | | Repaired 3/4" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | 7 | Ft. 3/4" 160 PSI IPS Poly Pipe | 0.40 | 2.80T |
| | 2 | 3/4" Heavy Brass Barb Coupling | 5.35 | 10.70T |
| | 8 | 3/4"-1" SS Hose Clamp | 1.67 | 13.36T |
| | | Backhoe & Operator | 150.00 | 150.00 |
| | | Labor - Roger | 90.00 | 90.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$1.68

Total \$268.54

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|------------|-----------|
| DATE | INVOICE # |
| 12/22/2004 | 8625 |

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|--|
| BILL TO |
| Contracting & Material Co. 9550 West 55th Street Suite A Countryside, IL 60525 |

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|----------------|
| SHIP TO |
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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|------------|----------|--|--------|--------|
| 12/20/2004 | | Repaired 2" Water Main Due To Trench Hitting Main At Hickory Lane In Lost Nation | | |
| | 1 | 2" Omni Coupling 441-0263-900 | 71.85 | 71.85T |
| | 1 | PVC 2" Coupling | 2.49 | 2.49T |
| | 2 | Ft. 2" Sch 80 Pipe | 1.23 | 2.46T |
| | | Labor | 180.00 | 180.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$4.80

Total \$261.60

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8767 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
| |

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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|--|--------|---------|
| 1/13/2005 | | Installed Flushing Hydrant At Crabapple Cr. | | |
| | 1 | 77 Mainguard Flushing Hydrant 6' 0" With 2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2 x 3/4 Brass Hex Bushing | 9.32 | 9.32T |
| | 1 | 3/4" x 4" Brass Nipple | 4.95 | 4.95T |
| | 1 | 3/4" Female Heavy Brass Insert Adapter | 12.18 | 12.18T |
| | | Backhoe & Operator | 225.00 | 225.00 |
| | Labor | 405.00 | 405.00 | |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$34.80

Total \$1,221.55

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|----------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

~~Proutz~~ Electric Service, Inc.

Invoice

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8767 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
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| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|--|------------------|------------------|
| 1/13/2005 | | Installed Flushing Hydrant At Crabapple Cr. | | |
| | 1 | 77 Mainguard Flushing Hydrant 6' 0" With 2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | 2 x 3/4 Brass Hex Bushing | 9.32 | 9.32T |
| | 1 | 3/4" x 4" Brass Nipple | 4.95 | 4.95T |
| | 1 | 3/4" Female Heavy Brass Insert Adapter | 12.18 | 12.18T |
| | | Backhoe & Operator Labor | 225.00 405.00 | 225.00 405.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

| | |
|--------------------------|---------|
| Sales Tax (6.25%) | \$34.80 |
|--------------------------|---------|

| | |
|--------------|------------|
| Total | \$1,221.55 |
|--------------|------------|

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|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction



Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8768 |

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| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|--|--------|---------|
| 1/12/2005 | 1 | Installed Flushing Hydrant At Lakeside Dr. 77 Mainguard Flushing Hydrant 6" 0" With 2" Fip Bottom Inlet | 508.73 | 508.73T |
| | 1 | 2" Brass Str. 90 | 21.57 | 21.57T |
| | 1 | PVC 2" Sch 80 Tee | 21.98 | 21.98T |
| | 1 | 2" PVC Sch. 80 Male Adapter | 17.75 | 17.75T |
| | 1 | 2" PVC Sch. 80 Female Adapter | 13.20 | 13.20T |
| | 2 | 1-1/2" x 1-1/4" Brass Bushing | 9.57 | 19.14T |
| | 1 | 2" x 1-1/4" Brass Bushing | 7.59 | 7.59T |
| | 1 | 1-1/4 x 1" Brass Bushing | 2.54 | 2.54T |
| | 1 | 1"x3/4" Galvanized Bushing | 3.45 | 3.45T |
| | 3 | 3/4" Female Heavy Brass Insert Adapter | 12.18 | 36.54T |
| | 2 | 3/4" x 4" Brass Nipple | 4.95 | 9.90T |
| | 6 | 3/4"-1" SS Hose Clamp | 1.67 | 10.02T |
| | 1 | 1-1/2" Ball Curb Stop | 134.93 | 134.93T |
| | 1 | AYM5615 5-1/2 Curbbox 2 Base | 76.02 | 76.02T |
| | 1 | 4' Curbbox Rod | 17.39 | 17.39T |
| | | Backhoe & Operator | 300.00 | 300.00 |
| | | Labor | 540.00 | 540.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$56.30

Total \$1,797.05

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8768 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|--|--------|---------|
| 1/12/2005 | 1 | Installed Flushing Hydrant At Lakeside Dr. | | |
| | | 77 Mainguard Flushing Hydrant 6" 0" With 2" Fip Bottom Inlet | 508.73 | 508.73T |
| | | 1 2" Brass Str. 90 | 21.57 | 21.57T |
| | | 1 PVC 2" Sch 80 Tee | 21.98 | 21.98T |
| | | 1 2" PVC Sch. 80 Male Adapter | 17.75 | 17.75T |
| | | 1 2" PVC Sch. 80 Female Adapter | 13.20 | 13.20T |
| | | 2 1-1/2" x 1-1/4" Brass Bushing | 9.57 | 19.14T |
| | | 1 2" x 1-1/4" Brass Bushing | 7.59 | 7.59T |
| | | 1 1-1/4 x 1" Brass Bushing | 2.54 | 2.54T |
| | | 1 1"x3/4" Galvanized Bushing | 3.45 | 3.45T |
| | | 3 3/4" Female Heavy Brass Insert Adapter | 12.18 | 36.54T |
| | | 2 3/4" x 4" Brass Nipple | 4.95 | 9.90T |
| | | 6 3/4"-1" SS Hose Clamp | 1.67 | 10.02T |
| | | 1 1-1/2" Ball Curb Stop | 134.93 | 134.93T |
| | | 1 AYM5615 5-1/2 Curbbox 2 Base | 76.02 | 76.02T |
| | | 1 4' Curbbox Rod | 17.39 | 17.39T |
| | | Backhoe & Operator | 300.00 | 300.00 |
| | Labor | 540.00 | 540.00 | |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$56.30

Total \$1,797.05

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Pfoutz Electric Service, Inc.

Invoice

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8770 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
| |

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|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|----------|---|--|--|
| | | Sealing 6 Abandon Wells At Maple Lane, Oak Drive, Hickory Lane, Flagg Road, Lakeside Drive, And Crabapple Court. 209 Bags Coarse Bentonite. 2 Ton Crushed Ag Lime Stone. Pull 4 Pumps. Disconnect And Remove Electrical Equipment To Wells. Remove 5 Well Receivers With Tanks. Cut Well Casings Below Ground Level On 2 Wells. Plug And Seal Wells. 6 Abandon Well Ogle County Permits All Labor, Material, Digging And Back Filling To Prepare And Seal Wells. | 0.00 7,425.00 | 7,425.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$0.00

Total \$7,425.00

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/14/2005 | 8770 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

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|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|----------|---|--|--|
| | | Sealing 6 Abandon Wells At Maple Lane, Oak Drive, Hickory Lane, Flagg Road, Lakeside Drive, And Crabapple Court. | | |
| | | 209 Bags Coarse Bentonite. 2 Ton Crushed Ag Lime Stone. Pull 4 Pumps. Disconnect And Remove Electrical Equipment To Wells. Remove 5 Well Receivers With Tanks. Cut Well Casings Below Ground Level On 2 Wells. Plug And Seal Wells. 6 Abandon Well Ogle County Permits All Labor, Material. Digging And Back Filling To Prepare And Seal Wells. | 0.00 7,425.00 | 7,425.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$0.00

Total \$7,425.00

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card Visa Discover

 Exp. Date ____ / ____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/28/2005 | 8835 |

| |
|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| | | | | TERMS |
|--|----------|---|--------------------------|-------------------|
| | | | | 15 Days |
| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
| 1/27/2005 | | Found And Uncovered 3 Valves On Sewer Main To See If Open At Chippawa And Mississippi Dr. Air Compressor Labor | 50.00 1,150.00 | 50.00 1,150.00 |
| Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days | | | Sales Tax (6.25%) | \$0.00 |
| | | | Total | \$1,200.00 |

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

Pfoutz Electric Service, Inc.

P.O. Box 403
 116 West South Street
 Franklin Grove, IL 61031

Invoice

| | |
|----------|-----------|
| DATE | INVOICE # |
| 2/1/2005 | 8844 |

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|---|
| BILL TO |
| New Landing Utility, Inc. Lost Nation Lakes 101 Lakeside Dr. Dixon, IL 61021 |

| |
|----------------|
| SHIP TO |
| |

| |
|--------------|
| TERMS |
| 15 Days |

| SERVICED | QUANTITY | DESCRIPTION | RATE | AMOUNT |
|-----------|----------|---|--------|---------|
| 1/31/2005 | | Repaired Water Main Break At 300 Chippawa And Mississippi | | |
| | 2 | 6" Omni Coupling For SDR26 | 141.35 | 282.70T |
| | 3 | Ft. 6" PVC Sch 40 Pipe | 4.79 | 14.37T |
| | | Backhoe & Operator Labor | 375.00 | 375.00 |
| | | | 450.00 | 450.00 |

Late charges of 2% per month (24% Annually) will be added to all accounts past 30 days

Sales Tax (6.25%) \$18.57

Total \$1,140.64

Please Circle One
 Master Card Visa Discover

 Exp. Date ____/____/____
 Name On Card _____

2% Of The Amount Will Be Added For This Transaction

| | |
|--------------|--------------|
| Phone # | Fax # |
| 815-456-2421 | 815-456-2751 |

ATTACHMENT C

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

NEW LANDING UTILITY, INC. :
:
Petition for consent to and : 79-0673 ✓
approval of certain trans- :
actions and contractual :
arrangements. :
:
NEW LANDING UTILITY, INC. : Cons.
:
Application for an Order :
authorizing the issuance of :
Three Hundred Thousand Dollars :
(\$300,000.00) of its Common :
Stock and certain long-term :
debt securities, approving a : 79-0675
first mortgage, and a security :
agreement-chattel mortgage :
approving an agreement to re- :
pay advances in aid of con- :
struction, and determining the :
original cost of certain :
utility facilities and :
property. :

ORDER

By the Commission:

On November 30, 1979, New Landing Utility, Inc. ("Petitioner"), filed its verified petition for consent to and approval of certain transactions and contractual arrangements with Associated Mortgage Investors ("AMI"), an affiliated interest within the meaning of Section 8a of the Illinois Public Utilities Act. This case, Docket No. 79-0673, will be referred to as the "affiliated interest case." On the same date, Petitioner filed its verified application in which it seeks authority to issue common stock and long-term debt securities, approval of a first mortgage and an agreement to repay advances in aid of construction, and a determination of the original cost of certain utility facilities and property. This case, Docket No. 79-0675, will be referred to as the "securities case." Amended applications were filed in the affiliated interest case and in the securities case on April 10 and 14, 1980, respectively.

On June 18, 1980, a Petition for Leave to Intervene was filed by counsel on behalf of the Lost Nation Property Owners Association ("Intervenor"). Said association represents collectively owners of real estate and residents of a portion of Respondent's service area. Intervenor participated in all stages of these proceedings and its petition was granted by the Commission in conference on July 16, 1980.

Pursuant to notice as required by the rules and regulations of the Commission, the first hearing was held in these matters before a duly authorized Hearing Examiner of the Commission at its Chicago offices on June 18, 1980. At that time, the Examiner consolidated these cases for purposes of hearings. Additional hearings were held on July 2 and 9, 1980. Appearances at these various hearings were entered by counsel for Petitioner and Intervenor and by members of the Staff of the Accounts and Finance and the Water Engineering Sections of the Commission. Two witnesses testified and presented various exhibits in support of these two petitions. Intervenor presented several exhibits in opposition to the petitions. Commission Staff also testified and made certain recommendations regarding the matters that are the subject of these two cases. At the conclusion of the hearing on July 9, 1980, the matter was marked "Heard and Taken." Briefs were filed by counsel for Petitioner and Intervenor.

On its own motion, the Commission, in conference on July 16, 1980, consolidated the affiliated interest case and the securities case for purposes of hearings and a single order.

HISTORY AND BACKGROUND

New Landing Utility, Inc. was incorporated on December 28, 1972. A Certificate of Public Convenience and Necessity was granted to Petitioner by Commission Order dated November 14, 1973, under Docket No. 57952. Said certificate authorized the construction, operation and maintenance of a public water supply and distribution system and a public sanitary sewage collection and treatment system for a recreational land development located in an unincorporated area of Ogle County, Illinois, known as The New Landing for the Delta Queen. The certificated area consists of approximately 2,900 lots. The testimony given in the certificate hearings indicated that the projected cost of the sewer and water facilities would be not less than \$2,913,380 and that the Developer would contribute to the Utility \$2,183,370 of that amount as contributions in aid of construction. A series of appeals flowed from the Commission's Order based on the prohibition of availability charges.

On April 3, 1975, New Landing Utility, Inc. filed with this Commission its application for an order authorizing the issuance of \$600,000 in common stock. On June 11, 1975, the Commission authorized the issuance of 1,000 shares of common stock for \$600,000 and in its order under Docket No. 59717 found that the Developer of the Utility's certificated area had expended funds in excess of \$600,000 for which it is entitled to reimbursement for the acquisition of property or the construction, extension or improvement of additions to Petitioner's facilities.

On June 27, 1972, the Developer secured mortgage loan financing for the entire development through Associated Mortgage Investors ("AMI") for \$6,300,000 under a loan agreement admitted in evidence as Intervenor's Exhibit 1. The Beverly Bank of Chicago acquired a participating interest in the AMI-Developer loan. In 1974, the Developer defaulted on its loan. On April 17, 1975, AMI filed its foreclosure complaint with the Circuit Court for the Fifteenth Judicial Circuit, Ogle County, Illinois. On February 11, 1976, in anticipation of the foreclosure proceedings, two agreements were made, the first an Agreement (Petitioner's Exhibit 3C) between AMI, certain creditors of the Developer and the Developer and the second, a Settlement Agreement (Petitioner's Exhibit D) between AMI, the Developer and certain individuals associated with the Developer, whereby for certain considerations, AMI acquired all of the Developer's interest in the project, including ownership of all outstanding shares of Petitioner's common stock. On December 9, 1976, AMI was awarded a decree of Foreclosure Vesting Title in Mortgagee by the Ogle County Circuit Court, granting title of the Developer's interest in the subject development, including ownership of Petitioner's common stock, to AMI. The Court states in Paragraph 17 of said decree that no obligation is imposed on AMI to complete or construct any amenities and further that there is no legal or equitable lien or charge imposed upon the premises to provide funds for the completion of construction of any amenities as described in the Declaration of Covenants, Conditions and Restrictions.

Because AMI now owns all of the outstanding common stock issued by New Landing Utility, Inc., and because persons employed by AMI serve as officers and directors of Petitioner, AMI exercises substantial influence over the policies and actions of Petitioner. As such, AMI is an "affiliated interest" of New Landing Utility, Inc., as that term is defined by Section 8a of the Public Utilities Act.

From 1974 to 1978, Petitioner and the Commission were involved in court proceedings regarding the November 14, 1973 Commission

79-0673
 Cons.
 79-0675

Certificate Order in Docket No. 57952. Said protracted litigation concerned the legality and propriety of availability charges.

On March 19, 1979, at the conclusion of the court proceedings concerning the availability rates, Petitioner filed its original rate schedules. Said rates were suspended pending hearings concerning the propriety and reasonableness of the proposed rates. By Commission Order entered February 6, 1980 in Docket No. 79-0195, Petitioner was directed to file a revised schedule of rates and the rate issues heretofore raised were resolved. In said Order, the Commission referred to the filing of the two instant cases and deferred a finding as to the original cost of the utility plant in service.

BALANCE SHEET AS OF DECEMBER 31, 1978

A Balance Sheet as of December 31, 1979 and December 31, 1978, was submitted by the Utility as Exhibit 4A. The President of the Utility testified that Accumulated Provision for Depreciation includes depreciation on contributed plant; the witness further stated that the Utility is aware that depreciation on contributed plant is not allowed as an expense for rate-making purposes and thus intends to segregate depreciation on contributions from depreciation on other plant assets. The Commission's Order under Docket No. 79-0195 disallowed depreciation on contributed plant as an expense.

| | <u>ASSETS</u> | | |
|--|------------------|------------------|--------------------|
| | <u>Water</u> | 1978 | |
| | | <u>Sewerage</u> | <u>Total</u> |
| PROPERTY, PLANT AND EQUIPMENT, at cost (Note 2B) | | | |
| Source of supply plant | | | |
| Land and land rights | \$ 14,230 | \$ - | \$ 14,230 |
| Structure and improvements | 4,578 | - | 4,578 |
| Collecting and impounding | 36,849 | - | 36,849 |
| Wells and springs | 44,043 | - | 44,043 |
| Pumping plant | | | |
| Electrical pumping equipment | 15,225 | - | 15,225 |
| Other pumping equipment | 3,332 | - | 3,332 |
| Treatment plants | | | |
| Structure and improvements | 8,184 | 320,842 | 329,026 |
| Water treatment equipment | 1,092 | - | 1,092 |
| Transmission and distribution mains | | | |
| Structure and improvements | 2,832 | - | 2,832 |
| Distribution reservoirs and standpipes | 46,814 | - | 46,814 |
| Transmission and distribution mains | 535,019 | 365,814 | 900,833 |
| Plant materials and operating supplies | 60,819 | 1,827 | 62,646 |
| Services | | | |
| Total property, plant and equipment | <u>\$773,017</u> | <u>\$688,483</u> | <u>\$1,461,500</u> |

79-0673
Cons.
79-0675

| | 1978 | | Total |
|--|------------------|-------------------------|--------------------|
| | Water | Per Company Sewerage | |
| LESS-ACCUMULATED DEPRECIATION (Note 2A) | | | |
| Source of supply plant | 7,127 | - | 7,127 |
| Pumping plant | 1,717 | - | 1,717 |
| Treatment plants | 606 | 24,437 | 29,043 |
| Transmission and distribution mains | <u>59,107</u> | <u>29,466</u> | <u>88,573</u> |
| Total accumulated depreciation | <u>68,557</u> | <u>57,903</u> | <u>126,460</u> |
| NET PROPERTY, PLANT AND EQUIPMENT | <u>\$704,460</u> | <u>\$630,580</u> | <u>\$1,335,040</u> |
| RESTRICTED FUNDS (Note 3) | | | 327,000 |
| OTHER ASSETS | | | |
| Organization costs, net of accumulated amortization of \$9,903 and \$3,767 | | | <u>54,718</u> |
| TOTAL ASSETS | | | <u>\$1,716,758</u> |

SHAREHOLDERS' EQUITY AND LIABILITIES

| | 1978 | |
|---|--------------------|--|
| | Per Company | |
| SHAREHOLDERS' EQUITY | | |
| Common stock, stated value \$600 per share; authorized, issued and outstanding 1,000 shares | \$ 600,000 | |
| (Deficit) | <u>(155,510)</u> | |
| Total shareholders' equity | 444,490 | |
| LONG-TERM DEBT | | |
| Other liabilities due investors (Note 4) | <u>1,064,340</u> | |
| Total capitalization | <u>1,508,832</u> | |
| CURRENT LIABILITIES | | |
| Accrued real estate taxes | 1,360 | |
| Accounts payable | - | |
| Total current liabilities | <u>1,360</u> | |
| CONTRIBUTIONS IN AID OF CONSTRUCTION (Note 5) | <u>206,568</u> | |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | <u>\$1,716,758</u> | |

MATTERS PRESENTED IN THE CONSOLIDATED CASES

Several matters have been presented by the Utility for Commission approval and authorization. The central issue upon which most of these proposals depend is the determination and resolution of

the proper accounting treatment of certain expenditures made by AMI for the construction of utility plant facilities, namely whether such monies should be classified as unreimbursed capital expenditures against which stock and debt may be issued or as contributed plant. The amount which the Utility seeks permission to reclassify is \$1,064,340 presently carried on its books as "Other liabilities due investors." This amount includes \$327,000 in an escrow account at Beverly Bank of Chicago.

The amount to be reclassified excludes \$600,000 of common stock issued pursuant to the Commission's Order in Docket No. 59717, contributions in aid of construction in the amount of \$206,568 and \$155,510 shown as a deficit in the Utility's earned surplus account.

The Utility proposes to reclassify the \$1,064,340 as follows: \$300,000 in additional common stock, \$300,000 as a long-term mortgage note, \$300,000 as advances in aid of construction and \$164,340 as additional contributions in aid of construction.

The specific matters presented in these two dockets are as follows:

A. Securities Case, 79-0675

1. The Utility seeks a determination of the original cost of its sewer and water utility plant in service. As part of this determination, the Utility also seeks recognition and approval of the appropriate provision for accumulated depreciation and approval of proposed entries to its books which will reflect its plant accounts and depreciation accounts. The Commission's Accounting Staff, after concluding its investigation, testified that the original cost of plant in service as of December 31, 1978, is not less than \$1,461,500. Intervenors do not contest this figure. Staff offered no opinion as to what portion of plant may have been contributed, stating that this was a legal question.
2. The Utility also seeks approval of an overall capital structure and the financing arrangements which will affect that capital structure. In that connection the Utility specifically asks permission and authority for the following:
 - a. The issuance and sale of not more than 500 shares of its common stock, no par value, in the amount of \$300,000, which proceeds are to be applied for the reimbursement of funds advanced to or for the Utility, which funds were used for purposes of construction and/or acquisition of utility property and facilities and/or the expansion and improvement thereof.
 - b. The issuance and delivery of certain long-term debt securities to the aggregate principal amount of not more than \$300,000 payable not more than 15 years from date, with interest at prevailing prime rate as determined by market conditions from time to time, in the form of Exhibit A attached to the petition in Docket No. 79-0675. The proposed Note is to evidence loans in principal amounts equal thereto, which loans were made for the same purposes as described in paragraph A2.a hereinabove.
 - c. Approval of a first mortgage, in the form attached to the petition in Docket No. 79-0675 as Exhibit B in order to secure repayment of the Note heretofore described.

- d. Approval of a security agreement - chattel mortgage, in the form of Exhibit B-1, attached to the petition in Docket No. 79-0675, also to secure repayment of the Note. Together, the mortgage and security agreement will encumber all of the Utility's facilities, plant and properties.
- e. Approval of a Letter Agreement dated November 26, 1979, between AMI and the Utility ("Agreement") whereby certain funds advanced to or for Petitioner by its stockholders are to be treated as advances in aid of construction, subject to repayment upon certain conditions, all of which are described in the copy of said Agreement attached to the petition in Docket No. 79-0675 as Exhibit C (and attached to the petition in Docket No. 79-0673 as Exhibit A). Petitioner states that, by the terms of the Agreement, the Utility is obligated to repay up to \$300,000 of funds which were advanced for purposes of construction and/or acquisition of utility property and facilities and/or the expansion or improvement thereof under the following circumstances and at the following rates: Upon the completion of any house connected to Petitioner's water and/or sewer mains after January 1, 1981, Petitioner shall repay \$2,000.00 to AMI, or its successor or nominee.

This Letter Agreement also reflects a commitment by AMI to contribute to the Utility \$164,340, this amount being the difference after subtracting the above described advances in aid of construction, common stock and debt securities from the amount of \$1,064,340 presently treated on the Utility's books as other liabilities due investors.

In the event the obligation to repay advances expires before \$300,000 has been repaid (January 1, 2000), the remaining advances would thereafter be treated as contributions in aid of construction and carried on its books as such. In addition, AMI agrees that any additional sums, other than monies heretofore deposited in escrow at Beverly Bank of Chicago as required by Ogle County for the construction of certain utility facilities, shall be contributed to the Utility. However, the letter states that this agreement is not to be construed as a commitment by AMI to complete said construction and installation.

It should be noted that the Commission's General Order 24, Revised, effective January 1, 1975, Rule 21 (2) requires a maximum refund period of not more than ten years on advances made for main extensions.

3. Commission direction to record the exact amount as determined herein, as of December 31, 1978, on its books, and to make appropriate journal entries to reflect and classify said amount in the manner requested by General Order 183, Revised.
- B. Affiliated Interest Case - 79-0673
1. Letter Agreement with an affiliated interest, described heretofore on Page 6 of this Order, Paragraph 2e.
 2. Management Services Agreement, a copy of which is attached to the petition as Exhibit B, whereby AMI will

provide to the Utility certain management services and assistance. Under said agreement, AMI is to provide personnel for engineering, operating, accounting, legal, billing and customer relations, and supervisory construction. In addition, AMI is to provide executive personnel to assist and advise the Utility in respect of corporate, financial, operating, engineering, organization, regulatory and other matters.

The Agreement provides that no profit to AMI will be included in any charges or services rendered to the Utility. The Agreement further states that, whenever practicable, services shall be billed directly to the Utility and that all costs, including salaries and other expenses, incurred in connection with services rendered to or for the Utility shall be charged directly to the Utility to the extent reasonably possible. In regard to construction, AMI will furnish to the Utility such information as shall be necessary to permit the allocation of charges for such services to particular work orders, and any and all information related to any services performed under the Agreement as may be required by any governmental authority having jurisdiction over the Utility.

3. A conveyance by which AMI quitclaims to the Utility certain real property (including easements) situated within the Utility's certificated service territory. A copy of said deed is attached to the petition as Exhibit C.
4. Bill of Sale, a copy of which is attached to the petition as Exhibit D, pursuant to which AMI quitclaims to the Utility certain sewer and water utility facilities heretofore constructed or installed (including any and all items or inventories held for future construction, installation, repair or maintenance), within Utility's certificated service territory.
5. Consent and approval to issue securities as heretofore requested to AMI as follows:
 - a. 500 shares of its common stock, no par value, for a consideration equal in value to \$300,000.
 - b. Long-term debt (Note) to the aggregate principal amount of not more than \$300,000.
 - c. First Mortgage and Security Agreement - Chattel Mortgage intended to secure repayment of said note.

In addition to those monies expended for the construction and/or acquisition of utility plant, advances were made by associated companies to the Utility to meet its operating and maintenance expenses. Amounts advanced for these purposes have been reflected as a deficit in the Utility's earned surplus account. The Utility does not seek permission to issue securities against monies advanced for operating and maintenance expenses.

PROPER ACCOUNTING TREATMENT OF CERTAIN
EXPENDITURES MADE BY AMI FOR CONSTRUCTION
OF UTILITY PLANT FACILITIES

The Utility proposes that certain expenditures made by AMI in the amount of \$1,064,340 for the construction and/or acquisition of utility property and facilities and/or the expansion and improvement thereof, be reclassified to permit partial reimbursement to AMI. The amount to be reclassified includes the Beverly

Bank escrow account and is now shown on the Utility's books as "Other liabilities due investors, plus \$54,718 shown on its Balance Sheet as "Organization costs, net of accumulated amortization." The Utility proposes to reclassify the \$1,064,340 as follows: \$300,000 in additional common stock, \$300,000 as a long-term mortgage note, \$300,000 as advances in aid of construction and \$164,340 as additional contributions in aid of construction.

The amount to be reclassified excludes \$600,000 of common stock issued pursuant to the Commission's Order in Docket No. 59717, contributions in aid of construction in the amount of \$206,568 and \$155,510 shown as a deficit in the Utility's earned surplus account.

The Utility contends that the amount to be reclassified has been spent to reimburse those who actually paid the bills submitted to the Utility by contractors who constructed and installed the Utility's sewer and water plant and equipment. In its brief, the Utility sets forth the issue as follows: What shall be the capital structure for New Landing Utility?

The Accounting Staff has verified that the Original Cost of Plant in Service as of December 31, 1978, is not less than \$1,461,500. No adjustment was made for Accumulated Depreciation. Neither the Water Engineering Staff nor the Intervenor contests the Original Cost of Plant.

The Commission's Chief Water Engineer opposes the Utility's proposal on the grounds that it is not financially able to incur the additional debt, and that approval of the Utility's financial proposals would result in exorbitant rates for the customers. This witness further states that, under Docket No. 59717, the Developer had asked to issue \$600,000 of stock in exchange for the entire water and/or sewer facilities to be installed in all of the various sections of the certificated area, and that no long-term debt was contemplated at the time the Utility was granted a certificate in Docket No. 57952.

A representative of the Commission's Accounts and Finance Section stated that the proposal in question was a legal question and therefore made no recommendation as to its treatment. The witness also stated that, if the Commission should approve the reclassification, the securities should be entirely in the form of stock since the interest expense incurred on long-term debt would place too great a burden on the Utility.

Intervenor's Brief states the issue as "Should the Utility be permitted to enter into a financial arrangement with AMI the end result of which would be the payment and satisfaction of an indebtedness reflected on Utility's books and financial statements as 'advances from Associated Companies'?" Intervenor states that testimony in the Certificate case shows that the original developer was going to contribute \$2,183,370 to the Utility based on an estimated cost of \$2,913,380. Intervenor further argues that, since the loan agreement was between AMI and the Developer, and not between AMI and the Utility, the Utility was induced by AMI to acknowledge that it was indebted to AMI, an action prohibited by Section 27(f) of the Public Utilities Act. The section states that, without first obtaining the consent and approval of the Commission, no public utility may directly or indirectly guarantee the performance of any contract or other obligation of any other person, firm or corporation.

Intervenor also contends that there is no further need to make AMI "whole," as the Utility's petition allegedly would do, since AMI had already received payments on the loan of \$2,901,432.48 before foreclosure, and also received \$600,000 in utility stock and approximately \$1,800,000 in other property as part of the

foreclosure proceedings. Intervenor contends that any monies recovered on the total loan to the Developer should be apportioned so that the amount expended for utility facilities would reflect such repayment.

The first issue to be resolved is whether the mortgagee, AMI, is obligated by the promise of the Developer to contribute a large portion of the utility facilities. Such a statement was made by the Developer in the original certificate case, but the certificate order does not indicate that the Commission granted the certificate in reliance on this statement; nor does the Commission's order in Docket No. 59717 indicate that the Utility was authorized to issue \$600,000 in common stock on the condition that the remaining costs of the utility would be contributed by the Developer. The Foreclosure Decree does not create an obligation or liability on the part of AMI to construct the utility facilities free of charge. The Commission is of the opinion that the Developer's statements concerning contribution of utility facilities is not legally binding on AMI, and as an oral promise, could not be enforced under any rules of contract law.

The second issue raised by Intervenor is whether the Public Utilities Act permits the issuance of securities against the monies expended by AMI. The evidence clearly establishes that AMI provided the funds for the construction and/or acquisition of the Utility's plant. How this account was carried on the Utility's books in prior years is not conclusive as to how such monies should be classified, but is, in fact, the issue to be resolved by these proceedings. Section 21 of the Public Utilities Act specifically allows a utility to issue securities for the lawful refunding of its obligations. Intervenor contends that, since the Commission has never recognized this expenditure as a debt of the Utility, authorization to repay such funds would permit the Utility to assume the debt of another, in contravention of Section 27 of the Public Utilities Act. The Commission finds this reasoning to be circular since, by these petition, the Utility is seeking recognition of such expenditures as long-term debt owed to AMI. The Utility facilities were constructed for the Utility and are owned by the Utility. Because the question of ownership of said facilities was raised in the rate case under Docket No. 79-0195, the Quit Claim Deed and Quit Claim Bill of Sale were executed, not to transfer said property, but to resolve any doubts as to ownership.

The question has been raised whether AMI has already recovered certain expenditures made for utility plant because of payments made by the Developer under the loan agreement and as a result of the Foreclosure Decree. This subject was addressed at great length in the Utility's rate case, Docket No. 79-0195 and in the present case. The first matter to be settled is who owns the utility facilities. Construction of the sewer and water facilities was accomplished by contract between the Utility and the building contractors. In such a case, the parties are commonly referred to as the "Owner" and the "Contractor." In this case, when the facilities were completed, they became the property of the Utility. The argument that funds were loaned to the owner by others does not effect a change in ownership.

There is claim by the Intervenor that, based on the Utility's appraisal, the present value of the unsold lots is approximately \$1,800,000. The Utility, however, argues that a value of approximately \$300,000 should be assessed over a fifteen year period of time to allow for the actual sale of said lots and recovery of capital and also to recognize the time value of money, since the lots are not earning any return on investment.

An evaluation by the Commission of the properties received by AMI in foreclosure proceedings does not resolve the issue before the Commission. Utility facilities were constructed with funds

provided either by the developer and/or AMI. The obligation of the Utility to pay for the construction of its facilities remains, whatever reimbursement would be due the developer is now due AMI because in this respect AMI succeeded to the developer's position as a result of the foreclosure and related settlements.

Intervenor claims that a portion of the loan repayments should be credited against expenditures made on utility facilities. The testimony indicates that no such allocation was made during the period of payments (before default). The record in the Certificate case also indicates that no utility facilities were constructed prior to June 14, 1973. The Decree of Foreclosure indicates that the Developer defaulted on his loan as of July 1, 1974. The Utility argues that nearly a million dollars has been expended for utility facilities since December, 1974.

In rebutting the contention that it could not financially sustain the proposed debt expenses, the Utility presented testimony and exhibits showing that its pro forma income will increase from \$80,000 in 1980 to \$98,600 in 1985 as sewer and water utility facilities are completed in the platted areas of the New Landing subdivision. (This area is to be provided service financed, in part, by the escrow account at Beverly Bank and, in part, by the contribution of such construction costs pursuant to the Letter Agreement heretofore described in Paragraph 2e on Page 6 herein.) The testimony further indicates that during this same period, normalized expenses will increase from \$61,800 to \$72,300. As such, operating income for 1980 will be \$18,700 and operating income will increase to \$26,300 in 1985. When noncash expense items, primarily depreciation, are added to operating income, cash flow available to Petitioner will be \$42,200 in 1980 and will increase to slightly more than \$50,000 in 1985. During this same period, estimated debt service expense on the proposed Note will decrease from \$56,000 in 1981 to \$46,400 in 1985. The Evidence indicates that the Utility could be financially able to pay the interest on the proposed long term debt. In order to protect the financial position of the Utility, the proposed Note to an affiliated interest, if approved, should not be transferable without prior Commission approval.

Taking into consideration the above evidence and arguments, and the Utility's proposal that only \$600,000 of the \$1,064,340 expended for utility facilities be classified as presently reimbursable for the issuance of securities, the Commission is of the opinion that the balance of plant costs subject to reimbursement (as set forth in the following section of this order on Page 8) is reasonable and represents funds which have been advanced by AMI for utility facilities for which AMI has not previously been reimbursed and for which the Utility should be authorized to issue securities.

At this time, it is also appropriate to give notice to the Utility and AMI, and their respective future assigns, that the Letter Agreement (Exhibit A in Docket 79-0673, wherein AMI and the Utility agree that any additional sums which may be spent to complete utility facilities in presently platted areas of the New Landing for the Delta Queen subdivision, other than money heretofore deposited in the escrow established at Beverly Bank of Chicago, shall be contributed to the Utility) is a condition of the authorization for the issuance of securities granted herein and shall be binding to the extent of \$794,395. This amount is the cost estimate to complete present sewer main systems in said platted areas as set forth as Appendix 1 to Exhibit A, 79-0673. Said Letter Agreement and the commitment made therein is a consideration in the Commission's determination of the capital structure of the Utility and shall be binding on the Utility, AMI and their future assigns. The Letter Agreement also indicates a further contribution to be made by AMI for construction and/or acquisition of utility facilities in the amount of \$164,340. This Letter Agreement shall be a part of the documentation in the Utility's

present and future Annual Reports until such time as the amount of \$794,395 has been expended for utility plant and recorded as a contribution.

STATEMENT OF UNREIMBURSED CAPITAL EXPENDITURES
AS OF DECEMBER 31, 1978.

A summary of the Utility's Statement of Unreimbursed Capital Expenditures as of December 31, 1978, together with Commission adjustments for Accumulated Depreciation and additional Contributions in Aid of Construction to be made per Letter Agreement, is set forth below:

| <u>Per Company</u> | <u>As Adjusted</u> |
|---|--------------------|
| INVESTMENT | |
| Utility plant, at cost | \$1,461,500 |
| Organization Expenses | 54,718 |
| Restricted Funds | 327,000 |
| | <u>\$1,843,218</u> |
| | <u>\$1,788,500</u> |
| LESS: | |
| Accumulated Provision for Depreciation | 0 |
| | <u>126,460</u> |
| NET INVESTMENT IN PLANT | <u>\$1,843,218</u> |
| | <u>\$1,662,040</u> |
| DEDUCT: | |
| Common Stock Previously Issued | 600,000 |
| Contributions in Aid of Construction Previously Recorded | 206,568 |
| Contributions in Aid of Construction per Letter Agreement (Docket 79-0673 - Ex. A) | 84,938 |
| Advances in Aid of Construction, subject to reclassification upon total or partial refund | 300,000 |
| | <u>300,000</u> |
| | <u>\$1,106,568</u> |
| | <u>\$1,191,506</u> |
| UNREIMBURSED EXPENDITURES | |
| AS OF DECEMBER 31, 1978 | |
| representing amount of additional securities which can be authorized | <u>\$ 736,650</u> |
| | <u>\$ 470,534</u> |

Restricted funds represent monies required to be placed in escrow by the Developer pursuant to the requirements of Cgle County. These funds are deposited in the Beverly Bank of Chicago and are restricted for the purpose of construction of sewer and water facilities for certain recorded plats in the Utility's certificated area. These areas are shown on Utility's Exhibit 9 in Docket 79-0195. Interest on these funds has been used for the payment of utility expenses in prior years and is reflected in a reduction of the deficit in earned surplus. This accounting procedure is shown in the Utility Annual Reports.

Advances in Aid of Construction, in the amount of \$300,000 which is subject to refund under the terms of the Letter Agreement described on Page 6 of this order, Paragraph A2e, is subject to later classification as unreimbursed capital to the extent of repayments, and/or contributions in aid of construction to the extent the advances are not repaid at the end of the determined time period.

The Commission has made three adjustments to the Utility's Statement of Unreimbursed Capital Expenditures: (1) disallowance of capitalization of organization expenses; (2) deduction for accumulated depreciation and (3) deduction for Contributions in Aid of Construction per Letter Agreement between the Utility and AMI, in the manner set forth below.

In Petitioner's Exhibit 4A, a compilation of financial statements prepared by an independent accounting firm, Organization Costs are described as including rate case expenditures, stating that said costs are being amortized on a straight line basis, 2% rate for organization costs and a 33-1/3% rate for rate case expenditures. The item as described is an expense and does not qualify as a capital expenditure. The amount of \$54,718 has accordingly been deducted from plant investment.

Net Investment in Plant must reflect the depreciated investment value. Petitioner has not made such an adjustment in its Statement of Unreimbursed Expenditures. The Commission is of the opinion that \$126,460, a figure stated by the Utility, represents depreciation on plant and, as such, is a proper adjustment in determining Net Utility Plant.

Pursuant to the terms of its Letter Agreement with the Utility, AMI has agreed to contribute \$164,340 of the \$1,064,340 presently recorded as other liabilities due investors. Unreimbursed Capital Expenditures must be reduced by accumulated depreciation in the amount of \$126,460, \$79,402 of which is applicable to noncontributed plant. Since no rates were in effect to recover said \$79,402 at the time such depreciation occurred, this contribution should be charged against depreciation on noncontributed plant and the remainder reclassified for purposes of determining unreimbursed Expenditures as follows:

| | |
|------------------|---|
| \$164,340 | Proposed Contribution in Aid of Construction |
| 79,402 | Accumulated Depreciation on Noncontributed Plant |
| <u>\$ 84,938</u> | Contribution in Aid of Construction for purposes of Unreimbursed Expenditures |

The Commission finds that the Utility's Unreimbursed Expenditures against which securities may presently be issued amounts to \$470,534. The Utility is seeking to issue \$600,000 in securities, \$300,000 in common stock and \$300,000 in long term debt. The Utility's petition should be denied as to the amount of securities sought to be issued.

The Utility has shown that, based on the installation of facilities in certain platted portions of its certificated area, its projected revenues are sufficient to issue additional debt at this time. The Commission is of the opinion that the Utility should be authorized to issue \$300,000 in common stock and \$170,534 in long-term debt, resulting in a total security issuance of \$470,534. Petitioner's proposed Note and related mortgage and security agreements should be modified to reflect the above stated figures.

The Utility's Balance Sheet as of December 31, 1978, adjusted for the reclassification of \$1,064,340 in accordance with this Order should be stated as follows:

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Balance Sheet
 December 31, 1978
 Adjusted per this Order

| <u>ASSETS AND OTHER DEBITS</u> | <u>PER BOOK</u> | <u>ADJUSTMENTS</u> | <u>AS ADJUSTED</u> |
|--|--------------------|-----------------------------|--------------------|
| Utility Plant | \$1,461,500 | | \$1,461,500 |
| Less: | | | |
| Accumulated Provision for Depreciation | 126,460 | | 126,460 |
| | <u>1,335,040</u> | | <u>1,335,040</u> |
| Special Funds Deferred | 327,000 | | 327,000 |
| Debits: | | | |
| Organization Expense | 54,718 | | <u>54,718</u> |
| Total Assets and Other Debits | <u>\$1,716,758</u> | | <u>\$1,716,758</u> |
| <u>LIABILITIES AND OTHER CREDITS</u> | | | |
| Common Stock | \$ 600,000 | (b) \$300,000 | \$ 900,000 |
| Earned Surplus | (155,510) | | (155,510) |
| Total Proprietary Capital | 444,490 | | 744,490 |
| Long Term Debt | - | (d) 170,534 | 170,534 |
| Advances from Associated Companies | 1,064,340 | (a) (\$164,340) (e) 129,466 | 129,466 |
| | | (b) (\$300,000) | |
| | | (c) (\$300,000) | |
| | | (d) (\$170,534) | |
| | | (e) (\$129,466) | |
| Accrued Taxes | 1,360 | | 1,360 |
| Advances for Construction | - | (c) 300,000 | 300,000 |
| Contributions in Aid of Construction | <u>206,568</u> | (a) <u>164,340</u> | <u>370,908</u> |
| Total Liabilities and Other Credits | <u>\$1,716,758</u> | <u>-0-</u> <u>-0-</u> | <u>\$1,716,758</u> |

- (a) Reclassify advances to contributions in aid of construction - \$164,340
 (b) Reclassify advances to common stock - \$300,000
 (c) Reclassify advances from associated companies to advances for construction subject to refund per Letter Agreement - \$300,000
 (d) Reclassify advances to long term debt - \$170,534
 (e) Balance of advances not subject to reimbursement - \$129,466

The Commission having considered the entire record herein and being fully advised in the premises is of the opinion and finds that:

- (1) Petitioner is a corporation duly organized and existing under and by virtue of the laws of the State of Illinois, duly authorized to engage in the business of providing water and sewer service in that certain area of Ogle County, Illinois, known as The New Landing for the Delta Queen Subdivision (including the "Lost Nation" area) and is a public utility within the meaning of an Act entitled "An Act concerning public utilities," as amended;
- (2) the Commission has jurisdiction over Petitioner and of the subject matter herein;
- (3) Petitioner presently has outstanding no stocks, bonds, notes, or other evidences of indebtedness, except 1,000 shares of its common stock, no par value, issued for a stated value of \$600,000 pursuant to authority granted in Ill. C.C. No. 59717;
- (4) Petitioner seeks authority to issue not to exceed 500 shares of its common stock, no par value, for a stated value of \$300,000, and to apply the proceeds thereof to the purposes hereinafter set forth;
- (5) Petitioner also seeks authority to issue and deliver certain long-term debt securities to the aggregate principal amount of not more than \$300,000, payable 15 years from date, with interest at prevailing prime rate as determined by market conditions from time to time, in form and tenor substantially the same as the Note admitted into evidence in No. 79-0675 as Petitioner's Exhibit A; in connection with the issuance of said Note, Petitioner also seeks approval of a first mortgage, in the form of Exhibit B admitted into evidence in No. 79-0675 which it proposes to grant in order to secure repayment of the Note; Petitioner also seeks approval of a security agreement - chattel mortgage, in the form of Exhibit B-1 admitted into evidence in No. 79-0675, which it proposes to grant in order to secure repayment of the Note; if such authority is granted, Petitioner proposes to execute said mortgage and said security agreement-chattel mortgage and, further, proposes to issue and deliver the said long-term debt securities on the basis of the face value thereof to evidence loans in principal amounts equal thereto and apply the proceeds thereof, not more than \$300,000, to the purposes hereinafter set forth;
- (6) Petitioner states that the proceeds to be realized from the issuance and sale of the aforesaid common stock (\$300,000) and the issuance and delivery of the aforesaid Note (not more than \$300,000) shall be applied for the reimbursement of funds advanced to or for Petitioner, which funds were used for purposes of construction and/or acquisition of utility property and facilities and/or the expansion and improvement thereof;
- (7) such application of said proceeds, to the extent hereinafter authorized, is reasonably required for the purposes of construction and/or acquisition of utility facilities and property and not for maintenance of service, replacements or substitutions, and such purpose is not, in whole, or in part, reasonably chargeable to operating expenses or to income;
- (8) the Commission does not deem it necessary to make a

physical valuation of the property of Petitioner;

- (9) Petitioner analyzed its books and records in order to determine the original cost of its utility plant installed as of December 31, 1978, the accumulated provision for depreciation properly allocable thereto, and the proper classification of said utility plant by the primary accounts prescribed by the Commission's General Order 183;
- (10) the Accounts and Finance Staff member reviewed Petitioner's analysis and examined the records which support the journal entries Petitioner proposes to make in order to properly reflect on its books of account the original cost of its utility plant installed as of December 31, 1978; the staff representative accepted the original cost figure as determined by Petitioner, made no adjustments for provision for accumulated depreciation, but agreed that \$126,460 was a correct calculation based on amount of plant;
- (11) the evidence establishes that the original cost of Utility Plant in Service as of December 31, 1978, is \$1,461,500; the Accumulated Provision for Depreciation properly allocable thereto as of said date is \$126,460, resulting in a Net Utility Plant valued at \$1,335,040;
- (12) the amount of \$1,064,034, presently carried on the Utility's books as "Other liabilities due investors," subject to the adjustments to Unreimbursed Capital Expenditures set forth in Findings (14) and (15), represents funds which have been advanced by AMI for the construction and/or acquisition of utility property and facilities and/or the expansion or improvement thereof, for which AMI has not previously been reimbursed and for which the Utility should be authorized to issue securities and/or long term debt;
- (13) the following adjustments should be made to the Utility's Statement of Unreimbursed Capital Expenditures as of December 31, 1978:
 - (a) Utility's method of determining Unreimbursed Capital Expenditures, i.e., based on undepreciated gross plant rather than Net Utility Plant after depreciation, is not consistent with past practices of the Commission as they have been applied to other utilities and fails to take into consideration that the purpose of such a determination is to establish those company investments which can be funded by the sale of securities and issuance of debt;
 - (b) Organization Costs as described in Utility's Exhibit 4A is an item of expense and does not qualify as a capital expenditure; the amount of \$54,718 should be excluded from a determination of Unreimbursed Capital Expenditures;
 - (c) pursuant to the terms of its Letter Agreement with the Utility, AMI has agreed to contribute \$164,340 of the \$1,064,340 presently recorded as other liabilities due investors; unreimbursed Capital Expenditures must be reduced by accumulated depreciation in the amount of \$126,460, \$79,402 of which is applicable to noncontributed plant; since no rates were in effect to recover said \$79,402 at the time such depreciation occurred, this contribution

should be charged against depreciation on noncontributed plant and the remainder reclassified for purposes of determining Unreimbursed Expenditures as follows:

| | |
|------------------|---|
| \$164,340 | Proposed Contribution in Aid of Construction |
| 79,402 | Accumulated Depreciation on Noncontributed Plant |
| <u>\$ 84,938</u> | Contribution in Aid of Construction for purposes of Unreimbursed Expenditures |

- (14) \$300,000 of the \$1,064,340 advanced for the construction of utility facilities should be classified as Advances in Aid of Construction, subject to reclassification upon total or partial refund, pursuant to the terms of the Letter Agreement dated November 26, 1979, between the Utility and AMI, attached to the Petition as Exhibit C in Docket No. 79-0675, except that the expiration date for the repayment of such advances should be no later than January 1, 1991; a ten year period of repayment is more reasonable in that it encourages a more rapid development of the subdivision and is in keeping with the repayment policies set forth in the Commission's General Order 24; the subject Letter Agreement should be modified accordingly and an executed copy of same sent to the Commission for inclusion in the case file for the subject dockets;
- (15) taking into account the aforesaid adjustments, the Net Utility Plant should be \$1,335,040 and Restricted Funds \$327,000; after deducting \$206,568 representing Contributed Plant, \$600,000 for stock previously authorized and issued, \$84,938 as contribution per Letter Agreement, and reclassification of \$300,000 of the \$1,064,340 "due investors" to Advances in Aid of Construction, the total amount of Applicant's Unreimbursed Capital Expenditures as of December 31, 1978, is \$470,534;
- (16) the total amount of common stock and long-term debt proposed to be issued by the Utility is \$600,000 and, if approved, would result in an overfunding of Unreimbursed Capital Expenditures of \$129,466; the Utility's petition should be denied as to the aggregate amount of securities and long-term debt to be issued;
- (17) subject to the terms and conditions provided in this Order, the application for authority to issue common stock may be reasonably granted to the extent of, and in the amount of \$300,000, and the public will be inconvenienced thereby; Petitioner should be authorized to issue and sell, in the manner and for the purposes set forth herein, not to exceed 500 shares of its common stock, no par value, in the amount of \$300,000 to AMI and to take such other action as is appropriate, reasonable and proper to accomplish the issuance and sale thereof;
- (18) subject to the terms and conditions provided in this Order, New Landing Utility, Inc. should be authorized to modify those long-term debt securities described in Finding (5) herein so that all evidences of such debt will reflect an amount not to exceed \$170,534, in conformance with the balance of Unreimbursed Capital Expenditures determined herein, and to issue and deliver said modified long-term debt securities in the manner and for the purposes hereinabove set forth, and to take such other action as is appropriate, reasonable and

proper to accomplish the purposes set forth in this Order; said Note should not be transferable without prior Commission approval; executed copies of said modified documents should be sent to the Commission for inclusion in the case file of the subject docket;

- (19) the conditions of the Letter Agreement, wherein AMI and the Utility agree that any additional sums which may be spent to complete utility facilities in presently platted areas of the New Landing for the Delta Queen subdivision, other than money heretofore deposited in escrow established at Beverly Bank of Chicago, shall be contributed to the Utility, is a condition of the authorization for the issuance of common stock and long-term debt granted herein and shall be binding to the extent of \$794,395 on the Utility and AMI, and their respective future assigns; said Letter Agreement shall be recorded in the Utility's present and future Annual Reports until such time as the amount of \$794,395 has been expended for utility plant and recorded as a contribution;
- (20) Petitioner should be required to classify by primary plant accounts the total of \$1,461,500 hereinabove found to have been expended for utility plant installed as of December 31, 1978, and the total amount of \$126,460 as the accumulated provision for depreciation properly allocable thereto;
- (21) Petitioner should be authorized to enter into a Management Services Agreement, a copy of which is attached to the petition in Docket No. 79-0673 as Exhibit B, whereby AMI will provide to the Utility certain management services and assistance heretofore described in the prefatory portion of this Order; in the event that certain charges cannot be made directly to the Utility, AMI shall maintain records indicating the number of hours each of its employees has spent in providing service to the Utility, the title of said employee and the hourly rate being charged for said service, as well as a detailed allocation of AMI's equipment and supplies used for the benefit of the Utility; the arrangements stated in the Management Services Agreement are reasonable, unaffected by the affiliation of interests and in the public interest, and Commission approval should be granted for same;
- (22) subject to the terms and conditions provided in this Order, the Letter Agreement in the form of Exhibit C in Docket No. 79-0675, the Quitclaim Deed in the form of Exhibit C in Docket No. 79-0673 and the Bill of Sale in the form of Exhibit D in Docket No. 79-0673, are reasonable and proper, unaffected by the affiliation of interests and in the public interest and Commission approval should be granted for same;
- (23) any objections and motions made in these proceedings which remain undisposed of should be considered disposed of in a manner consistent with the ultimate conclusions herein contained.

IT IS THEREFORE ORDERED that:

A. The Commission's consent, authority and approval be, and are hereby granted to and of (1) the issuance and sale by Petitioner of 500 shares of its common stock, no par value, for a stated value of \$300,000; (2) the issuance and delivery by Petitioner of its long-term debt securities as described in

Finding (5) herein to the aggregate principal amount of not more than \$170,534; and (3) the application of the proceeds of the issuance and sale of said common stock and the issuance and delivery of said long-term debt securities to the purposes set forth in Finding (6) herein.

B. The authority granted herein to Petitioner to issue and sell said common stock and to issue and deliver said long-term debt securities be, and is hereby, granted on the following conditions and not otherwise:

- (1) that Petitioner shall apply the proceeds of the issuance and sale of said common stock and issuance and delivery of said long-term debt securities to the purposes set forth in Finding (6) herein;
- (2) that before the issuance of any notes, mortgages and/or security agreement-chattel mortgage, said documents shall be conformed to reflect indebtedness of not more than \$170,534 and, further, that said conformed copies shall be filed with the Commission under these docket numbers upon execution of same;
- (3) that before the issuance of any certificates representing the common stock herein authorized to be issued, Petitioner shall cause to be placed upon the face of such certificate the following:

ILLINOIS COMMERCE COMMISSION

Identification No. 5216

- (4) that before the issuance of any notes representing the long-term debt securities herein authorized to be issued, Petitioner shall cause to be placed upon the face of each such note the following:

ILLINOIS COMMERCE COMMISSION

Identification No. 5217

- (5) that without order of this Commission none of said common stock herein authorized to be issued and none of said long-term debt securities herein authorized to be issued shall be issued subsequent to July 31, 1981;
- (6) that the contributions set forth in the Letter Agreement and the conditions set forth in Finding (15) and (20) herein are binding on the parties to said agreement and/or their respective future assigns.

C. Petitioner shall keep separate, true and accurate accounts showing the issuance and disposition of the common stock herein authorized to be issued and the issuance and disposition of the long-term debt securities herein authorized to be issued, and shall file reports with the Commission as required by the Commission's General Order 129, as amended, relative to the issuance and disposition of said common stock and long-term debt securities and the application of the proceeds thereof.

D. Petitioner be, and is hereby, charged an amount equal to five cents (5¢) for every One Hundred Dollars (\$100.00) of the stated value of the common stock herein authorized to be issued, in the aggregate stated value of \$300,000, said charge amounting to One Hundred Fifty Dollars (\$150.00) and an amount equal to ten cents (10¢) for every One Hundred Dollars (\$100.00) of the total aggregate amount of the long-term debt securities herein authorized to be issued, \$170,534, said charge amounting to One Hundred and Seventy-One (\$171.00) and that said charges shall be paid into

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the State Treasury before any of said common stock or any of said long-term debt securities shall be issued.

E. Approval of the Commission is hereby granted to Applicant to do any and all things not contrary to law, or the rules and regulations of the Commission, incidental, necessary or appropriate to the performance of any and all acts specifically authorized in this Order.

IT IS FURTHER ORDERED that New Landing Utility, Inc., be, and is hereby, authorized to enter into the Letter Agreement attached to the petition as Exhibit C in Docket No. 79-0675 subject to the conditions set forth in Findings (14) and (19) herein.

IT IS FURTHER ORDERED that:

F. New Landing Utility, Inc. record in its primary plant accounts as expenditures made as of December 31, 1978, for construction or acquisition of utility plant the aggregate sum of \$1,461,500 and as the accumulated provision for depreciation accrued on said utility plant as of the date the aggregate sum of \$126,460.

G. The original cost of Petitioner's utility plant installed as of December 31, 1978, is hereby determined to be \$1,461,500.

H. Petitioner shall proceed to classify the amount expended for its utility plant as of December 31, 1978, in accordance with the classification set out in the Uniform System of Accounts.

IT IS FURTHER ORDERED that the consent, authority and approval of this Commission be, and are hereby granted, pursuant to Section 8a of the Public Utilities Act, to (1) the Letter Agreement admitted in evidence in Docket No. 79-0675 as Petitioner's Exhibit C, in the form heretofore approved in this Order; (2) the Management Services Agreement in the form of Petitioner's Exhibit B in Docket No. 79-0675 subject to the conditions set forth in Finding (21) herein; (3) the conveyance of the Quitclaim Deed in the form of Petitioner's Exhibit C in Docket No. 79-0673; (4) the Bill of Sale in the form of Petitioner's Exhibit D in Docket No. 79-0673; and (5) the issuance and sale to AMI of 500 shares of its common stock for a consideration equal in value to \$300,000, and the issuance and delivery to AMI of its long-term debt security (Note) to the aggregate principal amount of not more than \$170,534 and the granting to AMI of a first mortgage and security agreement-chattel mortgage intended to secure payment of said Note, all of which shall be subject to the terms and conditions heretofore set forth and in the form of Petitioner's Exhibits E, F and F-1, respectively in Docket No. 79-0675.

IT IS FURTHER ORDERED that any objections or motions made in these proceedings which remain undisposed of be considered disposed of in a manner consistent with the ultimate conclusions contained herein.

By Order of the Commission this 14th day of January, 1981.

(SIGNED) MICHAEL V. RASTEN

Chairman

(S E A L)



ATTACHMENT D

New Landing Utility, Inc.
Ill.C.C. Docket No. 04-0321

Application for General Rate Increase

Applicant's Response to Staff Data Request

Staff Data Request FD-8

FD-8 If the need arose, how would New Landing obtain new equity capital?

Response:

The Utility believes that no informed investor would be willing to provide new equity capital.

New Landing Utility, Inc.
Ill.C.C. Docket No. 04-0321

Application for General Rate Increase

Applicant's Response to Staff Data Request

Staff Data Request FD-9

FD-9 If the need arose, how would New Landing obtain new debt capital?

Response:

The Utility believes that no informed lender would be willing to provide new debt capital.

ATTACHMENT E

New Landing Utility, Inc.
Ill.C.C. Docket No. 04-0321

Application for General Rate Increase

Applicant's Response to Staff Data Request

Staff Data Request FD-12

FD-12 Gene Armstrong's Direct Testimony indicates DAME Co. holds all of the stock issued by New Landing (p. 1). The Commission Order in Docket Nos. 79-0673/0675 Consolidated indicates Associated Mortgage Investors ("AMI") holds all of New Landing's stock (p. 2). When did DAME Co. acquire New Landing's stock from AMI? If DAME Co. did not acquire New Landing's stock directly from AMI, please specify when DAME Co. acquired all of New Landing's stock.

Response:

DAME Co. acquired all of the Utility's common stock from AMI on May 24, 1984.

ATTACHMENT F

Applicant's Response to Staff Data Request

Staff Data Request FD-7

Mr. Armstrong's Direct Testimony states, "As the balance due recorded for the Mortgage Note decreased, the amount due as Accounts Payable to Associated Companies increased by like amount." To which Associated Companies does Mr. Armstrong's testimony refer? Is the ownership interest in NLU identical to the ownership interest in the Associated Companies to which NLU is indebted for payments on the mortgage note? If the answer is no, please list who ultimately owns the Associated Companies in question and their percentage of ownership.

Response:

"Associated Companies" in Mr. Armstrong's direct testimony refers to DAME Co. DAME Co. owns all common stock issued by NLU. DAME Co. holds the Mortgage Note issued by NLU. Mr. Armstrong owns all common stock issued by DAME Co.

The person responsible for this response, who is also the witness who will be responsible for the answering of cross-examination questions pertaining to both the request and the response, is: Gene L. Armstrong, President, New Landing Utility, Inc., P.O. Box 168, Oak Park, IL 60303; tel. 708-848-4241, or 708-386-8400 ext. 4.

ATTACHMENT G

Request

4.17 Referring to NLU Exhibit ISA-2, please provide supporting documentation for the "Contract Services – Other" expense for 2004. The response should specifically identify the nature of the contract services being rendered, the entities providing the contract services, the basis for estimating the cost of the services (including hours and hourly rates, if applicable), and any assumptions used in estimating these costs.

Response

4.17

"Contract Services - Other" for 2004 is projected based on such expenses actually incurred in 2003, increased by the assumed rate of inflation, 3.32%. This is explained in the Direct Testimony of Gene Armstrong. See Ans. to Q 40. In 2003, the providers and services include:

| | |
|----------------------------|---|
| Telephone | SBC |
| Sample Testing - sewer | City of Rochelle |
| Sample Testing - water | State of Illinois-EPA |
| Certified Operator - water | Willard Cox |
| Certified operator - sewer | Michael Bollinger and Gregory Stechsulte |
| On site manager | Steve Clark |
| Legal services - water | Gene L. Armstrong & Associates; Williams & McCarthy |
| Billing Clerk | Matthew Armstrong |
| Repairs & Maintenance | Pfoutz Electric |
| Underground locating | JULIE |

In 2003, "Contract Services - Other" totaled \$231,776. By contrast, it totaled \$87,123 in 2001 and \$73,646 in 2002. These amounts include legal services - water. This is because there is no line item: Contract Services - Legal in the ICC Annual Report schedule for water expenses; while there is a line item: Contract Service - Legal in the ICC Annual Report schedule for sewer expenses. I do not know the reason for this difference in the expense schedules for water and sewer. While legal fees in 2001 and 2002 were not insignificant, in 2003 they were very significantly higher than in any other recent year: In 2003, the EPA vs. NLU suit required a very substantial amount of attention, and legal fees were, accordingly, much higher than usual. For 2004, pro-forma, I moved legal expenses - water to the separate line item shown in Exhibit ISA-2. As a basis for the amount shown in Exhibit ISA-2 for Contract Services - Other in 2004, I used the average of such services report in the Annual Reports for 2001 (\$87,123) and 2002 (\$73,646). Rounded, the average is \$80,000, and that amount is shown for 2004 as the total (water and sewer) in the line for Contract Services - Other. For the same reason, the line item for Contract Services - Legal in Exhibit ISA-2 is substantially larger than in Exhibit ISA-1: 2003. This line item in 2003 reflects legal fees for sewer, only. Those for water are part of the \$231,776 reported for 2003 in Contract Services - Other.

ATTACHMENT H

Request

4.7 Please state the relationship between Ann Armstrong and Gene L. Armstrong. Identify all amounts paid to Ann Armstrong for each calendar year from 2000 to the present, and provide all bills, invoices, contracts or other documents the relate to or explain these payment.

Response

4.7

Ann Armstrong is the wife of Gene Armstrong

During the period 1/1/2000 through 12/6/2004, Ann Armstrong was paid for services rendered in connection with billing, payment processing, customer account maintenance and other similar activities related to the maintenance of NLU records a total of \$13,000.00 (2000: \$6,500; 2001: \$5,500; 2002: \$1,000.).

During the period 1/1/2000 through 12/6/2004, Ann Armstrong was paid rent for use of space (in the residence) that NLU used for office and records storage a total of \$3,000.00. (2000, only.)

New Landing Utility, Inc.

Documents provided as part of the Response to:

AG DR 4.7

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.

Newbanding Utility, Inc.
 P.O. Box 168
 Oak Park, IL 60303

PAYER'S Federal identification number

26-3304258

RECIPIENT'S identification number

291-42-3534

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

Ann H. Armstrong
 1113 N. Elmwood Ave
 Oak Park, IL 60302

Account number (optional)

OMB No. 1545-0115

2000

Form 1099-MISC

**Miscellaneous
 Income**

| | | |
|--|-------------|--|
| 1 Rents | \$ | OMB No. 1545-0115 |
| 2 Royalties | \$ | 2000 |
| 3 Other income | \$ 6,500.00 | |
| 4 Federal income tax withheld | \$ | Form 1099-MISC |
| 6 Medical and health care payments | \$ | 5 Fishing boat proceeds |
| 8 Substitute payments in lieu of dividends or interest | \$ | 7 Nonemployee compensation |
| 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | \$ | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> |
| 10 Crop insurance proceeds | \$ | 11 State income tax withheld |
| 12 State/Payer's state number | \$ | 13 |

State Copy

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code

Alex Landmark Utility, Inc.
 Box 168
 Oak Park, IL 60303

PAYER'S Federal Identification number

26-73204258

RECIPIENT'S identification number

291-42-3524

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

Ann H. Hrnstrowg
 1113 N. Elmwood Ave
 Oak Park, IL 60302

Account number (optional)

2nd TIN not

OMB No. 1545-0115

2001

Form 1099-MISC

Miscellaneous Income

Copy C For Payer

For Privacy Act and Paperwork Reduction Act Notice, see the 2001 General Instructions for Forms 1099, 1098, 5498, and W-2G.

| | | | |
|--|-------------|--|----|
| 1 Rents | \$ | OMB No. 1545-0115 | |
| 2 Royalties | \$ | 2001 | |
| 3 Other income | \$ 5,500.00 | Form 1099-MISC | |
| 5 Fishing boat proceeds | \$ | 4 Federal income tax withheld | |
| 7 Nonemployee compensation | \$ | 6 Medical and health care payments | |
| 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | \$ | 8 Substitute payments in lieu of dividends or interest | |
| 11 | | 10 Crop insurance proceeds | |
| 13 Excess golden parachute payments | \$ | 12 | |
| 15 | | 14 Gross proceeds paid to an attorney | |
| 16 State tax withheld | \$ | 17 State/Payer's state no. | |
| | \$ | 18 State income | \$ |

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.

New Learning Ability, Inc
 P.O. Box 168
 Oak Park, IL 60303

1 Rents

OMB No. 1545-0115

2002

Miscellaneous
Income

2 Royalties

Form 1099-MISC

3 Other income

4 Federal income tax withheld

\$ 1,000.-

5 Fishing boat proceeds

6 Medical and health care payments

\$

\$

Copy C
For Payer

PAYER'S Federal identification number

RECIPIENT'S identification number

26-3304258

591-42-3524

RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code

Ann H. Howstrow
 1133 N. Elmwood Ave.
 Oak Park, IL 60302

7 Nonemployee compensation

8 Substitute payments in lieu of dividends or interest

\$

\$

9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale

10 Crop insurance proceeds

\$

\$

For Privacy Act and Paperwork Reduction Act Notice, see the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Account number (optional)

2nd TIN not

13 Excess golden parachute payments

14 Gross proceeds paid to an attorney

\$

\$

15

16 State tax withheld

17 State/Payer's state no.

18 State income

\$

\$

\$

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.

Al... ..

1 Rents

OMB No. 1545-0115

Miscellaneous

NEW LANDING UTILITY, INC.

CHECK NO.

OR:

| OUR REF. NO. | YOUR INV. NO. | INVOICE DATE | INVOICE AMOUNT | AMOUNT PAID | DISCOUNT TAKEN | NET CHECK AMOUNT |
|--------------|---------------|--------------|---------------------|----------------|--|------------------|
| | Rent | July | \$ 500 ⁻ | \$ 500 | | |
| | Rent | Aug. | 500 ⁻ | 500 | | |
| | Rent | Sept | 500 ⁻ | 500 | | |
| | Rent | Oct | 500 ⁻ | 500 | | |
| | | | <u>\$ 2000</u> | <u>\$ 2000</u> | 1000 ⁰⁰ 1000 ⁰⁰ | \$ 2000 |

NEW LANDING UTILITY, INC.

P. O. BOX 168
OAK PARK, IL 60303

COMMUNITY BANK
OAK PARK, ILLINOIS 60301
70-2563/719

1920

| CHECK NO. | CHECK DATE | VENDOR NO. |
|-----------|------------|------------|
| 1920 | 10/31/00 | |

| CHECK AMOUNT |
|------------------------|
| \$ 2,000 ⁰⁰ |

BY
ORDER OF

Ann H. Armstrong
1113 N. Elmwood
Oak Park, Il. 60302

NEW LANDING UTILITY, INC.
NON-NEGOTIABLE
Ann H. Armstrong
AUTHORIZED SIGNATURE

⑈001920⑈ ⑈071925635⑈ 00800459501⑈

NEW LANDING UTILITY, INC.

CHECK NO.

VENDOR:

| OUR REF. NO. | YOUR INV. NO. | INVOICE DATE | INVOICE AMOUNT | AMOUNT PAID | DISCOUNT TAKEN | NET CHECK AMOUNT |
|--------------|---------------|--------------|------------------|--------------------------|----------------|--------------------------|
| | Rent | Nov | 500 ⁻ | 500 ⁻ | | 500 ⁻ |
| | Rent | Dec | 500 ⁻ | 500 ⁻ | | 500 ⁻ |
| | | | <u>1,000</u> | <u>1,000⁻</u> | | <u>1,000⁻</u> |

63~~4~~ 73~~4~~ 5

560⁰⁰
500⁰⁰

NEW LANDING UTILITY, INC.
P. O. BOX 188
OAK PARK, IL 60303

COMMUNITY BANK
OAK PARK, ILLINOIS 60301
70-2583/719

1925

| CHECK NO. | CHECK DATE | VENDOR NO. |
|-----------|------------|------------|
| 1925 | 12/2/00 | |

| CHECK AMOUNT |
|------------------------|
| \$ 1,000 ⁰⁰ |

PAY TO THE ORDER OF

Ann H. Armstrong

NEW LANDING UTILITY, INC.
NON-NEGOTIABLE
Ann H. Armstrong
AUTHORIZED SIGNATURE

⑈001925⑈ ⑆071925⑆35⑆ 00800459501⑈