

Lake Holiday Utilities Corp.
Balance Sheet
Dec-09

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Illinois Commerce Commission

<u>ASSETS</u>	
Plant In Service	
Water	\$ 2,886,381
Sewer	0
Total	<u>\$ 2,886,381</u>
Accumulated Depreciation-Water	(950,431)
Accumulated Depreciation-Sewer	0
Total	<u>\$ (950,431)</u>
Net Utility Plant	<u>\$ 1,935,950</u>
Plant Acquisition Adjustment-Water	0
Plant Acquisition Adjustment-Sewer	0
Total	<u>\$ 0</u>
Construction Work In Process-Water	(0)
Construction Work In Process-Sewer	0
Total	<u>\$ (0)</u>
Current Assets	
Cash	0
Accounts Receivable - Net	(304,768)
Other Current Assets	0
Total	<u>\$ (304,768)</u>
Deferred Charges	<u>5,348</u>
TOTAL ASSETS	<u><u>\$ 1,636,530</u></u>

<u>LIABILITIES AND OTHER CREDITS</u>	
=====	
Capital Stock and Retained Earnings	
Common Stock and Paid In Capital	\$ 700,922
Retained Earnings	1,063,526
Total	<u>\$ 1,764,448</u>
Current and Accrued Liabilities	
Accounts Payable-Trade	20,558
Taxes Accrued	4,946
Customer Deposits	0
Customer Deposits - Interest	0
A/P - Assoc. Companies	(624,028)
Deferred Revenue	0
Total	<u>\$ (598,525)</u>
Advances In Aid of Construction	
Water	0
Sewer	0
Total	<u>\$ 0</u>
Contributions In Aid of Construction	
Water	345,759
Sewer	0
Total	<u>\$ 345,759</u>
Accumulated Deferred Income Tax	
Unamortized ITC	0
Deferred Tax - Federal	101,831
Deferred Tax - State	23,016
Total	<u>\$ 124,848</u>
TOTAL LIABILITIES AND OTHER CREDITS	<u><u>\$ 1,636,530</u></u>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	451,231	(7,653) [a]	443,578	342,075 [n]	785,653
Service Revenues - Sewer	-		-		-
Miscellaneous Revenues	10,776		10,776	3,225	14,000
Uncollectible Accounts	5,831	(17,945) [k]	(12,114)	(9,342) [b]	(21,456)
Total Operating Revenues	467,838	(25,598)	442,240	335,958	778,198
Maintenance Expenses					
Salaries and Wages	165,997	(15,523) [c]	150,474	-	150,474
Purchased Power	30,048	1,342 [j]	31,389	-	31,389
Maintenance and Repair	32,621	1,456 [j]	34,078	-	34,078
Maintenance Testing	2,352	105 [j]	2,457	-	2,457
Meter Reading	5,945	265 [j]	6,210	-	6,210
Chemicals	12,487	558 [j]	13,044	-	13,044
Transportation	11,512	(1,415) [p]	10,097	-	10,097
Operating Exp. Charged to Plant	(32,768)	(20,231) [c]	(52,999)	-	(52,999)
Outside Services - Other	10,372	463 [j]	10,835	-	10,835
Total	238,566	(32,980)	205,586	-	205,586
General Expenses					
Salaries and Wages	54,276	(12,189) [c]	42,087	-	42,087
Office Supplies & Other Office Exp.	28,887	1,290 [j]	30,176	-	30,176
Regulatory Commission Exp.	(3,309)	39,316 [d]	36,007	-	36,007
Pension & Other Benefits	37,442	5,930 [c]	43,372	-	43,372
Rent	8,449	377 [j]	8,827	-	8,827
Insurance	16,070	-	16,070	-	16,070
Office Utilities	9,615	429 [j]	10,044	-	10,044
Miscellaneous	8,182	365 [j]	8,548	-	8,548
Expense Allocation adj	-	(168) [o]	(168)	-	(168)
Total	159,612	35,351	194,963	-	194,963
Depreciation	56,037	93,779 [e]	149,817		149,817
Taxes Other Than Income	32,384	1,547 [f]	33,932	342 [f]	34,274
Income Taxes - Federal	(13,428)	(45,684) [g]	(59,112)	105,779 [g]	46,667
Income Taxes - State	(3,112)	(10,579) [g]	(13,691)	24,500 [g]	10,809
Amortization of ITC	(1,152)	- [e]	(1,152)	-	(1,152)
Amortization of CIAC	(11,046)	(6,623) [e]	(17,670)	-	(17,670)
Total	59,683	32,440	92,123	130,621	222,745
Total Operating Expenses	457,862	34,810	492,672	130,621	623,294
Net Operating Income	9,976	(60,408)	(50,433)	205,337	154,904
Other Income	(550)	-	(550)	-	(550)
Interest During Construction	(0.49)	0.49 [h]	-	-	-
Interest on Debt	60,221	2,942 [i]	63,163	-	63,163
Net Income	(49,695)	(63,350)	(113,046)	205,337	92,291

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- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] w/p [a] - Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] w/p [b] - Salaries, Wages and Benefits are adjusted to annualize as of the end of the year.
- [d] w/p [d] - Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] w/p [f] - Depreciation and Amortization Expense are annualized. Depreciation expense represents gross depreciable plant at the end of the year plus pro forma projects multiplied by the respective depreciation rates.
- [f] w/p [e] - Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [g] w/p [g] - Income Taxes are computed on taxable income at following rates (34% federal and 7.3% state)
- [h] AFUDC is eliminated for rate making purposes.
- [i] w/p [h] - Interest on Debt has been computed using a 52.3% / 47.7% debt-to-equity ratio and a 6.6% cost of debt.
- [j] w/p [n] - A consumer price index increase of 4.46% has been included in this filing.
- [k] To adjust uncollectibles based on billing report produced as of 12/31/2009.
- [l] w/p [k] - Intentionally left blank
- [m] w/p [o] - Intentionally left blank
- [n] Proposed revenue increase derived from Sch.D&E.
- [o] w/p [p] - adjust allocations 12/31/09 allocation factors.
- [p] To adjust transportation expense based on operators' allocation.

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Lake Holiday Utilities Corp.
 Water Operations
 Rate Base and Rate of Return
 Test Year Ended December 31, 2009

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	9,976	(60,408)	(50,433)	205,337	154,904
Gross Plant In Service	2,886,381	788 [d],[b]	2,887,169	-	2,887,169
Accumulated Depreciation	(950,431)	(95,064) [c]	(1,045,494)	-	(1,045,494)
Net Plant In Service	1,935,950	(94,276)	1,841,674	-	1,841,674
Cash Working Capital	53,820	490 [a]	54,310	-	54,310
Contributions In Aid of Construction	(345,759)	49,590 [e][c]	(296,168)	-	(296,168)
Advances in Aid of Construction	-	-	-	-	-
Accumulated Deferred Income Taxes	(124,848)	-	(124,848)	-	(124,848)
Customer Deposits	-	-	-	-	-
Adjustment to Rate Base Allocations	-	(126) [h]	(126)	-	(126)
Adjustments from prior rate cases	-	-	-	-	-
Deferred charges	5,348	350,000	355,348	-	355,348
Total Rate Base	1,524,512	305,679	1,830,191	-	1,830,191
Return on Rate Base	0.65%		-2.76%		8.5%

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Lake Holiday Utilities Corp.
Explanations of Adjustments to Rate Base
Test Year Ended December 31, 2009

Schedule C
Page 2 of 2

- [a] w/p [i] - Working Capital is calculated based on pro forma expenses.
- [b] w/p [j] - Pro Forma Plant is adjusted for planned additional capital investments and retirements.
- [c] w/p [appendix] - Accumulated depreciation is adjusted for planned additional capital investments, retirements, and plant held for future use.
- [d] w/p [l] - Plant additions for Actual and Estimated 2010 additions.
- [e] Commission ordered adjustment per Order in Docket No. 92-0420.
- [f] Intentionally left blank
- [g] Intentionally left blank
- [h] w/p [p] - adjust allocations 12/31/09 allocation factors.

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Test Year / Present Revenues

WATER

Bill code	Billcode	Meter Size	Gallonage	Usage Charge	Units	Stated Quarterly BFC	Revenues
<u>All Subs:</u>							
	5501	5/8" Res.	77,747,136	\$ 3.07	5,898	\$ 15.00	\$ 327,154
	5508	3/4" Res.	2,509,900	\$ 3.07	150	\$ 15.00	\$ 9,955
	5507	1" Res	24,605,721	\$ 3.07	1,541	\$ 15.00	\$ 98,655
	5509	2" Res	87,000	\$ 3.07	4	\$ 15.00	\$ 327
	5502	5/8" Comm	541,282	\$ 3.07	36	\$ 15.00	\$ 2,202
	5510	1" Comm	75,400	\$ 3.07	7	\$ 21.00	\$ 378
	5511	1.5" Comm	74,100	\$ 3.07	6	\$ 24.00	\$ 371
	5512	2" Comm	365,289	\$ 3.07	4	\$ 36.00	\$ 1,265
	5506	Availability	-	\$ -	218	\$ 15.00	\$ 3,270
			<u>106,005,828</u>		<u>7,864</u>		<u>\$ 443,578</u>

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Lake Holiday Utilities Corp.
Proposed Revenues

Schedule E

WATER

Bill code	Billcode	Meter Size	Gallonage	Usage Charge	Units	Stated Monthly BFC	Revenues
<u>All Subs:</u>							
	5501	5/8" Res.	77,747,136	\$ 5.45	17,694	\$ 8.87	\$ 580,348
	5508	3/4" Res.	2,509,900	\$ 5.45	450	\$ 8.87	\$ 17,660
	5507	1" Res	24,605,721	\$ 5.45	4,623	\$ 8.87	\$ 175,006
	5509	2" Res	87,000	\$ 5.45	12	\$ 8.87	\$ 580
	5502	5/8" Comm	541,282	\$ 5.45	108	\$ 8.87	\$ 3,906
	5510	1" Comm	75,400	\$ 5.45	21	\$ 12.42	\$ 671
	5511	1.5" Comm	74,100	\$ 5.45	18	\$ 14.19	\$ 659
	5512	2" Comm	365,289	\$ 5.45	12	\$ 21.29	\$ 2,245
	5506	Availability	-	\$ -	654	\$ 7.00	\$ 4,578
			<u>106,005,828</u>		<u>23,592</u>		<u>\$ 785,653</u>

Miscellaneous Charges	Current Charge	Units	Proposed Charge	Additional Revenues
NSF Charge	\$ 7.00	9	\$ 25.00	\$ 162
New Customer Charge	\$ 15.00	147	\$ 25.00	\$ 1,470
Reconnect/disconnect	\$ 20.00	91	\$ 37.50	\$ 1,593
				<u>\$ 3,225</u>

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