WATERWORKS AND SEWAGE DISPOSAL COMPANIES

ANNUAL REPORT

OF

THE FAIRLANE WATER Co., INC.

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

1100 INDUSTRY ROAD, ATWATER, OHIO 44201

(Address of principal business office at end of year)

TO THE

PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED
MAY 0 4 1999
PUCO FISCAL

FOR THE

YEAR ENDED DECEMBER 31, 19__

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

RICHARD E. HINMAN 70 N. MILLER RD. FAIRLAWN, OH 44333 330-867-2015 (TREASURER)

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GENERAL INSTRUCTIONS

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company on whose behalf the report is made.

2. The schedules and questions contained in this report were developed to be generally applicable to all waterworks and/or sewage disposal companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked. **If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the facts.**

3. This report was prepared in conformance with the 1976 NARUC Uniform Systems of Accounts for water and/or sewer companies. Interpret all accounting words and phrases in accordance with these USOAs.

4. Account numbers which appear in brackets refer to those used by Class C and/or D waterworks or sewage disposal companies, if different than those used by Class A and B companies.

5. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.

6. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.

7. The annual report shall be signed by a duly elected officer of the respondent.

8. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.

9. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.

10. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.

11. Please list all accounts and totals in whole dollars only. Make sure the rounded numbers equal the original totals, when the original totals are rounded to the nearest dollar amount.

HISTORY

1. Date of organization. 7-23-70

2. Date when operations began. 7-23-70

3. Under the laws of what Government, State of Territory organized? If more than one, name all.

OHIO

4. If a consolidated or merged company, name all constituent and all merged companies.

N/A

5. Date and authority for each consolidation and each merger.

N/A

6. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. CORPORATION

7. If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. N/A

8. Where are the books and records of the company kept? THE FAIRLANE WATER CO., INC 1100 INDUSTRY RD. AKWATER, OHIO 44201

9. General description of territory served by respondent. RESIDENTIAL ALLOTMENT

10. Number of locations within Ohio. ONE

FACTS PERTAINING TO CONTROL OF RESPONDENT

1. Did any individual, association, corporation or corporations, control the respondent at close of year? NO

   If control was so held, state:

   (a) The form of control, whether sole or joint: _____

   (b) The name of the controlling corporation or corporations: _____

   (c) The manner in which control was established: _____

   (d) The extent of control: _____

   (e) Whether control was direct or indirect: _____

   (f) The name of the intermediary through which control, if indirect, was established: _____

2. Did any individual, association, or corporation, as trustee, control the respondent at close of year? NO

   If control was so held, state:

   (a) The name of the trustee: N/A

   (b) The name of the beneficiary or beneficiaries for whom the trust was maintained: N/A

IMPORTANT CHANGES DURING THE YEAR

Hereunder give particulars concerning the matters indicated below. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

N/A

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

N/A

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization.

N/A

4. Changes in articles of incorporation: Give brief particulars of each change and date.

N/A

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

N/A

SCHEDULE: 1

VOTING POWERS AND ELECTIONS

1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and votes of all stockholders.

Line No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
1	RICHARD A. SCHULTZ 1100 INDUSTRY ROAD ATWATER, OHIO 44201	175	175	-0-
	TOTAL LISTED ABOVE			
	ALL STOCKHOLDERS	175	175	-0-

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 2

BOARD OF DIRECTORS

1. Give the names of each person who was a member of the Board of Directors at any time during the year.
2. Column (d) relates to Board meetings only.

Line No.	Name of Director and Address (City and State)	Served Continuously From	Term Expired or Current Term Will Expire	Number of Meetings Attended During Year
	(a)	(b)	(c)	(d)
1.	RICHARD A SCHULTZ, ATWATER OHIO	7-23-70	12-31-98	1
2.	DOLORES M. SCHULTZ, ATWATER OHIO	7-23-70	12-31-98	1
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

16.	Name of Chairman of the Board	RICHARD A. SCHULTZ
17.	Name of Secretary of Board	DOLORES M. SCHULTZ
18.	Number of Meetings of Board during the year	1
19.	Number of directors provided for by charter or by-laws, as amended to the end of the year	4
20.	Number of directors required to constitute a quorum	2

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 3

PRINCIPAL GENERAL OFFICERS

1. The persons to be listed herein are the chairman of the board, president, vice-president, treasurer, general counsel, and comptroller. Respondents that do not have officers bearing the aforesaid titles shall list those officers who have the responsibilities normally associated with such titles.
2. Customary abbreviations may be used in showing titles and departments in columns (a) and (b).

Line No.	Title of General Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name of Person Holding The Office at End of Year (c)	Office Address (City and State) (d)
1.	PRESIDENT	ALL	RICHARD A. SCHULTZ	1100 INDUSTRY RD ATWATER, OHIO 44201
2.	VP/SECY	ALL	DOLORES M. SCHULTZ	
3.	TREAS.	ALL	RICHARD E. HINMAN	110 N. MILLER RD. FAIRLAWN, OH 44333
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

SCHEDULE: 4

BALANCE SHEET

Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
	UTILITY PLANT:				
101	Utility Plant in Service	17-22	53,488	57,388	3900
102	Completed Constr. Not Classified				
103	Utility Plant in Process of Reclas.				
104	Utility Plant Leased to Others				
105	Property Held for Future Use				
106	Utility Plant Purchased or Sold				
107	Construction Work in Progress				
114 (108)	Utility Plant Acquisition Adjustm.				
	TOTAL UTILITY PLANT (101-114)		53,488	57,388	3900
108-113, 115 (110)	Accumulated Provision for Depreciation and Amortization	23-30	(41406)	(42021)	(615)
	NET UTILITY PLANT (Total Utility Plant Less Acc. Dep. and Amortization)				
116 (109)	Other Utility Plant Adjustments				
	TOTAL PLANT (101-116)		12082	15367	3285
	OTHER PROPERTY AND INVESTMENTS:				
121	Nonutility Property				
122	Accum. Provision for Deprec. and Amortization of Nonutility Plant				
123	Investments in Associated Companies				
124	Other Investments				
125-128	Special Funds				
	TOTAL OTHER PROPERTY AND INVESTMENTS (121-128)				
	CURRENT AND ACCRUED ASSETS:				
131	Cash		1025	3732	2707
132	Interest Special Deposits				
133	Dividend Special Deposits				
134	Other Special Deposits				
135	Working Funds				
136 (132)	Temporary Cash Investments				
141	Notes Receivable				
142	Customer Accounts Receivable		309	336	27
143	Other Accounts Receivable		3808	1252	(2556)
144	Accumulated Provision for Uncollectible Accounts-Cr.				
145	Notes Receiv. from Assoc. Companies				
146	Accts. Receiv. from Assoc. Companies				
151	Fuel Stock				
152	Fuel Stock Expense				
154	Plant Mtrls. and Operating Supplies				

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
155	Merchandise				
156 (150)	Other Materials and Supplies				
163	Stores Expense				
166	Prepayments	35	50	50	-0-
171	Interest and Dividends Receivable				
172	Rents Receivable				
173	Accrued Utility Revenues				
174 (170)	Misc. Current and Accrued Assets	31			
	TOTAL CURRENT AND ACCRUED ASSETS (131-174)		5192	5370	178
	DEFERRED DEBITS:				
181	Unamorti. Debt Discount and Expense				
182	Extraordinary Property Losses	31			
183	Preliminary Survey & Invest. Charges				
184	Clearing Accounts				
185	Temporary Facilities				
186 (183)	Miscellaneous Deferred Debits	32			
187	Research and Develop. Expenditure	32			
	TOTAL DEFERRED CREDITS (181-187)		—	—	—
	TOTAL ASSETS AND OTHER DEBITS		17274	20737	3463
	EQUITY CAPITAL:				
201	Common Stock Issued	33	17500	17500	-0-
202	Common Stock Subscribed				
203	Common Stock Liabil. for Conversion				
204	Preferred Stock Issued	33			
205	Preferred Stock Subscribed				
206	Pref. Stock Liability for Conversion				
207	Premium on Capital Stock				
208	Donations Rcvd. from Stockholders				
209	Reduction in Par or Stated Value of Capital Stock				
210	Gain on Resale or Cancellation of Reacquired Capital Stock				
211	Miscellaneous Paid-In Capital				
212	Installmnts. Rcvd. on Capital Stock				
213	Discount on Capital Stock				
214	Capital Stock Expense				
215	Appropriated Retained Earnings				
216	Unappropriated Retained Earnings	16	(1451)	2006	3463

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
217	Reacquired Capital Stock				
218	NonCorporate Proprietorship	16			
	TOTAL EQUITY CAPITAL (201-218)		16043	19506	3463
	LONG-TERM DEBT:				
221	Bonds	34			
222	Reacquired Bonds	34			
223	Advances from Associated Companies	34			
224	Other Long-Term Debt	34			
	TOTAL LONG TERM DEBT (221-224)				
			—	—	—
	CURRENT AND ACCRUED LIABILITIES:				
231	Notes Payable		1231	1231	—
232	Accounts Payable				
233	Notes Payable to Assoc. Companies				
234	Accounts Payable to Assoc. Companies				
235	Customer Deposits				
236	Taxes Accrued				
237	Interest Accrued				
238	Dividends Declared				
239	Matured Long-Term Debt				
240	Matured Interest				
241	Tax Collections Payable				
242 (238)	Misc. Current and Accrued Liabilities	37			
	TOTAL CURRENT AND ACCRUED LIABILITIES (231-242)		1231	1231	-0-
	DEFERRED CREDITS:				
251	Unamortized Premium on Debt				
252	Customer Advances for Construct.				
253	Other Deferred Credits				
254	Other Regulatory Liabilities				
255	Accum. Deferred Invest. Tax Credits				
	TOTAL DEFERRED CREDITS (251-255)				
	OPERATING RESERVES:				
261	Property Insurance Reserves				
262	Inquiries and Damages Reserves				
263	Pensions and Benefits Reserves				
265	Miscellaneous Operating Reserves				
	TOTAL OPERATING RESERVES (261-265)				
271	CIAC				

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
	ACCUM. DEFERRED INCOME TAXES:				
281	Accum. Deferred Income Taxes-Accelerated Amortization	35			
282	Accumulated Deferred Income Taxes-Liberalized Depreciation	36			
283	Accum. Deferred Income Taxes-Other	36			
	TOTAL ACCUM. DEFERRED INCOME TAXES (281-283)				
	TOTAL EQUITY CAPITAL, LIABILITIES AND OTHER CREDITS		17274	20737	3463

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 95

SCHEDULE: 4A

NOTES TO BALANCE SHEET

N/A

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount (in dollars)
	UTILITY OPERATING INCOME:		
400	Operating Revenues	38	21,036
	OPERATING EXPENSES:		
401	Operation Expense	39-47	10228
402 (401)	Maintenance Expense	39-47	5118
403	Depreciation Expense		615
404	Amortization of Limited-Term Utility Plant		
405 (404)	Amortization of Other Utility Plant		
406 (404)	Amortization of Utility Plant/Acquisition Adjust.		
407 (404)	Amortization of Property Losses		
408.1	Taxes Other Than Income Taxes, Utility Operating Income 1242 370	48	1612
409.1	Income Taxes, Utility Operating Income		
410.1	Provision for Deferred Income Tax, Utility Operating Income		
411.1	Income Taxes Deferred in Prior Years-Credit, Util.. Oper. Income		
412.1	Invest. Tax Credits, Util.. Operations, Deferred to Future Periods		
412.2	Invest. Tax Credits, Utility Operations, Restored to Oper. Income		
	TOTAL OPERATING EXPENSES (401-412.2)		17573
	NET OPERATING INCOME (400) Less (401-412.2)		3463
	OTHER OPERATING INCOME:		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) from Disposition of Utility Property		
	TOTAL OTHER OPERATING INCOME (413-414)		
	OTHER INCOME AND DEDUCTIONS:		
415	Revenues from Merchandising, Jobbing and Contract Work		
416	Costs and Expns. of Merchandising, Jobbing and Contract Work		
417	Income from Nonutility Operations		
418	Nonoperating Rental Income		
419	Interest and Dividend Income		
420	Allowance for Funds Used During Construction		
421	Miscellaneous Nonoperating Income		
422	Gains (Losses) from Disposition of Utility Property		
	TOTAL OTHER INCOME (415-422)		
425	Miscellaneous Amortization		
426	Miscellaneous Income Deductions		
	TOTAL OTHER INCOME DEDUCTIONS (425-426)		
	TOTAL OTHER INCOME AND DEDUCTIONS (415 -422) Less (425-426)		
408.2	Taxes Other Than Income Taxes, Other Income and Deductions		
409.2	Incomes Taxes, Other Income and Deductions		
410.2	Prov. for Deferred Income Taxes, Other Income and Deductions		
411.2	Income Taxes Dfrd. in Prior Yrs.-Crdt., Other Income and Deduct.		
412.3	Invest. Tax Credits, Utility Oper., Restored to Nonoper. Income		
412.4	Investment Tax Credits, Nonutility Operations, Net		
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS (408.2-412.4)		
	NET OTHER INCOME AND DEDUCTIONS (415-422) Less (425-412.4)		3463

SCHEDULE: 5

INCOME STATEMENT			
Acct. No.	Account Title	Page No.	Amount (in dollars)
	INTEREST CHARGES:		
427	Interest on Long-Term Debt		
428	Amortization of Debt Discount and Expense		
429	Amortization of Premium on Debt-Cr.		
430	Interest on Debt to Associated Companies		
431	Other Interest Expense		
	TOTAL INTEREST CHARGES (427-431)		
	INCOME BEFORE EXTRAORDINARY ITEMS (400) Less (401-431)		3463
	EXTRAORDINARY ITEMS:		
433	Extraordinary Income		
434	Extraordinary Deductions		
409.3	Income Taxes, Extraordinary Items		
	TOTAL EXTRAORDINARY ITEMS (433- 409.3)		
	NET INCOME (400) Less (401-409.3)		3463

SCHEDULE: 5A

NOTES TO INCOME STATEMENT

None

SCHEDULE: 6

STATEMENT OF RETAINED EARNINGS

Acct. No.	Account Title	Page No.	Amount (in dollars)
216	Unappropriated Retained Earnings (at beginning of period)	9	(1457)
435	Balance Transferred from Income	14	3463
436	Appropriations of Retained Earnings		
437	Dividends Declared-Preferred Stock		
438	Dividends Declared-Common Stock		
439	Adjustments to Retained Earnings		
216	Unappropriated Retained Earnings (at end of period)	9	2006

Notes To Statement of Retained Earnings:

SCHEDULE: 7

PARTNERSHIP CAPITAL STATEMENT (1)

Acct. No.	Account Title	Page No.	Amount (in dollars)
218	Partnership Capital (Beginning of Year)	10	N/A
	Net Income (Loss For Year)	14	
	Partners' Capital Contributions		
	Partners' Drawings		
	Miscellaneous Credits		
	Miscellaneous Debits		
218	Total Partnership Capital (End of Year)	10	

(1) This statement should also be used by sole proprietors.

Annual Report of THE FAIRLANE WATER Co., INC. Year Ended December 31, 19 98

SCHEDULE: 8A

UTILITY PLANT IN SERVICE-ACCOUNT 101 WATERWORKS UTILITIES (in dollaros)						
	Account (a)	Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
	INTANGIBLE PLANT:					
301	Organization					
302	Franchise and Consents					
303	Miscellaneous Intangible Plant					
	TOTAL INTANGIBLE PLANT (301-303)					
	TANGIBLE PLANT **SOURCE OF SUPPLY PLANT:**					
310	Land and Land Rights					
311	Structures and Improvements					
312	Collecting and Impounding Reservoirs					
313	Lake, River and Other Intakes					
314	Wells and Springs					
315	Infiltration Galleries and Tunnels					
316	Supply Mains					
317	Other Water Source Plant					
	TOTAL SOURCE OF SUPPLY PLANT (310-317)					
	PUMPING PLANT:					
320	Land and Land Rights	1000				1000
321	Structures and Improvements	2000				2000
322	Boiler Plant Equipment					
323	Other Power Production Equipment					
324	Steam Pumping Equipment					
325	Electric Pumping Equipment	18342	3900			22242
326	Diesel Pumping Equipment					

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SCHEDULE: 8A

UTILITY PLANT IN SERVICE-ACCOUNT 101
WATERWORKS UTILITIES
(in dollars)

Account (a)		Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
327	Hydraulic Pumping Equipment					
328	Other Pumping Equipment	5615				5615
	TOTAL PUMPING PLANT (320-328)	26957	3900			30,857
	WATER TREATMENT PLANT:					
330	Land and Land Rights					
331	Structures and Improvements					
332	Water Treatment Equipment					
	TOTAL WATER TREATMENT PLANT (330-332)					
	TRANSMISSION AND DISTRIBUTION PLANT:					
340	Land and Land Rights					
341	Structures and Improvements					
342	Distribution Reservoirs and Standpipes					
343	Transmission and Distribution Mains	23000				23,000
344	Fire Mains					
345	Services					
346	Meters	800				800
347	Meter Installations					
348	Hydrants					
349	Other Transmission and Distribution Plant					
	TOTAL TRANSMISSION AND DISTRIBUTION PLANT (340-349)	23,800				23,800

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 8A

UTILITY PLANT IN SERVICE-ACCOUNT 101
WATERWORKS UTILITIES
(in dollars)

	Account (a)	Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
	GENERAL PLANT:					
389 (370)	Land and Land Rights					
390 (371)	Structures and Improvements					
391 (372)	Office Furniture and Equipment	1031				1031
392 (373)	Transportation Equipment	1700				1700
393	Stores Equipment					
394	Tools, Shop and Garage Equipment					
395	Laboratory Equipment					
396	Power Operated Equipment					
397	Communication Equipment					
398 (379)	Miscellaneous Equipment					
399 (390)	Other Tangible Property					
	TOTAL GENERAL PLANT 389 (370)-399(390)	2731				2731
	OTHER UTILITY PLANT (CLASS D ONLY):					
(391)	Utility Plant Purchased or Sold					
(392)	Utility Plant in Process of Reclassification					
(393)	Utility Plant Leased to Others					
(394)	Property Held for Future Use					
(395)	Construction Work in Progress					
(396)	Utility Plant Acquisition Adjustments					
(397)	Other Utility Plant Adjustments					
	TOTAL OTHER UTILITY PLANT (CLASS D ONLY) (391-397)					
	TOTAL UTILITY PLANT IN SERVICE WATERWORKS (301-397)	53,488	3900			57388

Annual Report of THE FAIRLANE WATER CO., INC. Year Ended December 31, 19 98

SCHEDULE: 8B

UTILITY PLANT IN SERVICE-ACCOUNT 101
SEWAGE DISPOSAL UTILITIES
(in dollars)

N/A

Account (a)			Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
Class A & B	**Class C & D**	**INTANGIBLE PLANT:**					
301	301	Organization					
302	302	Franchises and Consents					
303	303	Miscellaneous Intangible Plant					
		TOTAL INTANGIBLE PLANT (301-303)					
	310	Land & Land Rights					
	311	Structures & Improvements					
		TOTAL LAND & STRUCTURES (310-311)					
		COLLECTION PLANT:					
350		Land and Land Rights					
351		Structures and Improvements					
352	352	Collection Sewers					
352.1	352.1	Collection Sewers-Force					
352.2	352.2	Collection Sewers-Gravity					
352.3		Special Collecting Structures					
353	354	Services to Customers					
354	355	Flow Measuring Devices					
355	355	Flow Measuring Installations					
356	353	Other Collection Plant Facilities					
		TOTAL COLLECTION PLANT (350-356)					

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SCHEDULE: 8B

UTILITY PLANT IN SERVICE-ACCOUNT 101
SEWAGE DISPOSAL UTILITIES N/A
(in dollars)

Account (a)			Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
Class A & B	**Class C & D**	**PUMPING PLANT:**					
360		Land and Land Rights					
361		Structures and Improvements					
362	362	Receiving Wells					
363	363	Electric Pumping Equipment					
364	363	Diesel Pumping Equipment					
365	363	Other Pumping Equipment					
		TOTAL PUMPING PLANT (360-365)					
		TREATMENT AND DISPOSAL PLANT:					
370		Land and Land Rights					
370.1	372	Oxidation Lagoon Land					
370.2		Other Land and Land Rights					
371		Structures and Improvements					
372	373	Treatment and Disposal Equipment					
373	374	Plant Sewers					
374	375	Outfall Sewer Lines					
375	376	Other Treatment and Disposal Plant Eqpt.					
		TOTAL TREATMENT AND DISPOSAL PLANT (370-376)					

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 8B

UTILITY PLANT IN SERVICE-ACCOUNT 101
SEWAGE DISPOSAL UTILITIES
(in dollars)

Class A & B	Class C & D	Account (a)	Balance at End of Previous Year (in dollars) (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Dr. or (Cr.) (e)	Balance at End of Current Year (f)=(b)+(c)-(d)+(e)
		GENERAL PLANT:					
389		Land and Land Rights					
390		Structures and Improvements					
391	391	Office Furniture and Equipment					
392	392	Transportation Equipment					
393		Stores Equipment					
394		Tools, Shop and Garage Equipment					
395		Laboratory Equipment					
396		Power Operated Equipment					
397		Communications Equipment					
399	393	Other Tangible Property					
		TOTAL GENERAL PLANT (389-399)					
		TOTAL SEWAGE DISPOSAL PLANT (370-399)					
		TOTAL UTILITY PLANT IN SERVICE SEWAGE DISPOSAL (301-399)	53,488				57,388

Annual Report of THE FAIRLANE WATER Co. INC Year Ended December 31, 19 98

SCHEDULE: 9A

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☒ Annually)

Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
	SOURCE OF SUPPLY PLANT:				
311	Structures and Improvements				
312	Collecting and Impounding Reservoirs				
313	Lake, River and Other Intakes				
314	Wells and Springs				
315	Infiltration and Galleries and Tunnels				
316	Supply Mains				
317	Other Water Source Plant				
	TOTAL SOURCE OF SUPPLY PLANT (311-317)				
	PUMPING PLANT:				
321	Structures and Improvements	942	2%	156	
322	Boiler Plant Equipment				
323	Other Power Production Equipment				
324	Steam Pumping Equipment				
325	Electric Pumping Equipment	8318	4%	459	
326	Diesel Pumping Equipment				
327	Hydraulic Pumping Equipment				
328	Other Pumping Equipment	5613	3.33%		
	TOTAL PUMPING PLANT (321-328)	14,873			
	WATER TREATMENT PLANT:				
331	Structures and Improvements				
332	Water Treatment Equipment				
	TOTAL WATER TREATMENT PLANT (331-332)				
	TRANSMISSION AND DISTRIBUTION PLANT:				
341	Structures and Improvements				
342	Distribution Reservoirs and Standpipes				
343	Transmission and Distribution Mains	23000	–	–	
344	Fire Mains				
345	Services	800	–	–	
346	Meters				

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

(continue on next page)

Annual Report of THE FAIRLANE WATER CO., INC Year Ended December 31, 19 98

SCHEDULE: 9A

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☑ Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Credit (h)	Other Addition or Deductions Debit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
	SOURCE OF SUPPLY PLANT:					
311	Structures and Improvements					
312	Collecting and Impounding Reservoirs					
313	Lake, River and Other Intakes					
314	Wells and Springs					
315	Infiltration and Galleries and Tunnels					
316	Supply Mains					
317	Other Water Source Plant					
	TOTAL SOURCE OF SUPPLY PLANT (311-317)					
	PUMPING PLANT:					
321	Structures and Improvements					1098
322	Boiler Plant Equipment					
323	Other Power Production Equipment					
324	Steam Pumping Equipment					
325	Electric Pumping Equipment					8777
326	Diesel Pumping Equipment					
327	Hydraulic Pumping Equipment					
328	Other Pumping Equipment					5613
	TOTAL PUMPING PLANT (321-328)					15,488
	WATER TREATMENT PLANT:					
331	Structures and Improvements					
332	Water Treatment Equipment					
	TOTAL WATER TREATMENT PLANT (331-332)					
	TRANSMISSION AND DISTRIBUTION PLANT:					
341	Structures and Improvements					
342	Distribution Reservoirs and Standpipes					
343	Transmission and Distribution Mains					23,000
344	Fire Mains					
345	Services					800
346	Meters					

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of THE FAIRLANE WATER Co., INC Year Ended December 31, 19 98

SCHEDULE: 9A

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☑ Annually)

Account No.	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
347	Meter Installations				
348	Hydrants				
349	Other Transmission & Distribution Plant				
	TOTAL TRANSMISSION AND DISTRIBUTION PLANT (341-349)	23,800			
	GENERAL PLANT:				
390 (371)	Structures and Improvements				
391 (372)	Office Furniture and Equipment	1033			
392 (373)	Transportation Equipment	1700			
393	Stores Equipment				
394	Tools, Shop and Garage Equipment				
395	Laboratory Equipment				
396	Power Operated Equipment				
397	Communication Equipment				
398 (379)	Miscellaneous Equipment				
399 (390)	Other Tangible Property				
	TOTAL GENERAL PLANT (390-399)	2733			
	OTHER UTILITY PLANT:				
111	Accum. Prov. for Amort. of Util. Plant in Serv.				
109 393	Accum. Prov. for Deprec. of Util. Plant Leased to Others				
112	Accum. Prov. for Amort. of Util. Plant Leased to Others				
110 394	Accum. Prov. for Deprec. of Prop. Held for Future Use				
113	Accum. Prov. for Amort. of Prop. Held of Future Use				
115 396	Accum. Prov. for Amort. of Util. Plant Acquis. Adjustments				
	TOTAL OTHER UTILITY PLANT (111-115)				
	TOTAL WATERWORKS (311-115)	41,406			

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. 91-1205 WWAIR). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

(continue on next page)

Annual Report of THE FAIRLANE WATER CO., INC. Year Ended December 31, 19 98

SCHEDULE: 9A

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
WATERWORKS COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ❑ Monthly ❑ Quarterly ❑ Annually)

Account No.	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
347	Meter Installations					
348	Hydrants					
349	Other Transmission & Distribution Plant					
	TOTAL TRANSMISSION AND DISTRIBUTION PLANT (341-349)					23800
	GENERAL PLANT:					
390 (371)	Structures and Improvements					
391 (372)	Office Furniture and Equipment					1033
392 (373)	Transportation Equipment					1700
393	Stores Equipment					
394	Tools, Shop and Garage Equipment					
395	Laboratory Equipment					
396	Power Operated Equipment					
397	Communication Equipment					
398 (379)	Miscellaneous Equipment					
399 (390)	Other Tangible Property					
	TOTAL GENERAL PLANT (390-399)					2733
	OTHER UTILITY PLANT:					
111	Accum. Prov. for Amort. of Util. Plant in Serv.					
109 393	Accum. Prov. for Deprec. of Util. Plant Leased to Others					
112	Accum. Prov. for Amort. of Util. Plant Leased to Others					
110 394	Accum. Prov. for Deprec. of Prop. Held for Future Use					
113	Accum. Prov. for Amort. of Prop. Held of Future Use					
115 396	Accum. Prov. for Amort. of Util. Plant Acquis. Adjustments					
	TOTAL OTHER UTILITY PLANT (111-115)					
	TOTAL WATERWORKS (311-115)					42021

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of THE FAIRLANE WATER CO., INC Year Ended December 31, 19 98

SCHEDULE: 9B

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ❑ Monthly ❑ Quarterly ❑ Annually) N/A

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
	311	Structures & Improvements				
		COLLECTION PLANT:				
351		Structures and Improvements				
352	352	Collection Sewers				
352.1	352.1	Collection Sewers-Force				
352.2	352.2	Collection Sewers-Gravity				
352.3		Special Collection Structures				
353	354	Services to Customers				
354	355	Flow Measuring Devices				
355	355	Flow Measuring Installations				
356	353	Other Collection Plant Facilities				
		TOTAL COLLECTION PLANT (351-356)				
		PUMPING PLANT:				
361		Structures and Improvements				
362	362	Receiving Wells				
363	363	Electric Pumping Equipment				
364	363	Diesel Pumping Equipment				
365	363	Other Pumping Equipment				
		TOTAL PUMPING PLANT (361-365)				
		TREATMENT AND DISPOSAL PLANT:				
371		Structures and Improvements				
372	373	Treatment and Disposal Equipment				
373	374	Plant Sewer				
374	375	Outfall Sewer Lines				
375	376	Other Treatment and Disposal Plant				
		TOTAL TREATMENT AND DISPOSAL PLANT (371-376)				

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

(continue on next page)

Annual Report of THE FAIRLANE WATER CO., INC Year Ended December 31, 19 98

SCHEDULE: 9B

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ❑ Monthly ❑ Quarterly ❑ Annually) N/A

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
	311	Structures & Improvements					
		COLLECTION PLANT:					
351		Structures and Improvements					
352	352	Collection Sewers					
352.1	352.1	Collection Sewers-Force					
352.2	352.2	Collection Sewers-Gravity					
352.3		Special Collection Structures					
353	354	Services to Customers					
354	355	Flow Measuring Devices					
355	355	Flow Measuring Installations					
356	353	Other Collection Plant Facilities					
		TOTAL COLLECTION PLANT (351-356)					
		PUMPING PLANT:					
361		Structures and Improvements					
362	362	Receiving Wells					
363	363	Electric Pumping Equipment					
364	363	Diesel Pumping Equipment					
365	363	Other Pumping Equipment					
		TOTAL PUMPING PLANT (361-365)					
		TREATMENT AND DISPOSAL PLANT:					
371		Structures and Improvements					
372	373	Treatment and Disposal Equipment					
373	374	Plant Sewer					
374	375	Outfall Sewer Lines					
375	376	Other Treatment and Disposal Plant					
		TOTAL TREATMENT AND DISPOSAL PLANT (371-376)					

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

Annual Report of THE FAIRLANE WATER CO., INC. Year Ended December 31, 19 98

SCHEDULE: 9B

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 108 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(Please check if the Company's Depreciation Expense is Calculated: ❑ Monthly ❑ Quarterly ❑ Annually)

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)
		GENERAL PLANT:				
390		Structures and Improvements				
391	391	Office Furniture and Equipment				
392	392	Transportation Equipment				
393		Stores Equipment				
394		Tools, Shop and Garage Equipment				
395		Laboratory Equipment				
396		Power Operated Equipment				
397		Communication Equipment				
399	393	Other Tangible Property				
		TOTAL GENERAL PLANT (390-399)				
109		Accum. Prov. for Deprec. of Util. Plant Leased to Others				
110		Accum. Plant for Deprec. of Prop. Held for Future Use				
111		Accum. Prov. for Amort. of Util. Plant in Service				
112		Accum. Prov. for Amor. of Util. Plant Leased to Others				
113		Accum. Prov. for Amort. of Prop. Held for Future Use				
115		Accum. Prov. for Amort. of Util. Plant Acquis. Adjmts.				
		TOTAL SEWAGE DISPOSAL (109-115)				
		TOTAL WATERWORKS & SEWAGE DISPOSAL (351-115)	41406		615	

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. 91-1205 WN AIR). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

(continue on next page)

Annual Report of THE FAIRLANE WATER CO., INC. Year Ended December 31, 19 98

SCHEDULE: 9B

ACCUMULATED PROVISION FOR DEPRECIATION & AMORTIZATION-ACCOUNTS 111 - 113 & 115 (110)
SEWAGE DISPOSAL COMPANIES
(in dollars)

(Please check if the Company's Depreciation Expense is Calculated: ☐ Monthly ☐ Quarterly ☐ Annually)

Account No. Class A&B	Account No. Class C&D	Account Title (a)	Cost of Removal (f)	Salvage (g)	Other Addition or Deductions Debit (h)	Other Addition or Deductions Credit (i)	Balance at End of Current Year (j)=(b)+(d)-(e)-(f)+(g)+(h)-(i)
		GENERAL PLANT:					
390		Structures and Improvements					
391	391	Office Furniture and Equipment					
392	392	Transportation Equipment					
393		Stores Equipment					
394		Tools, Shop and Garage Equipment					
395		Laboratory Equipment					
396		Power Operated Equipment					
397		Communication Equipment					
399	393	Other Tangible Property					
		TOTAL GENERAL PLANT (390-399)					
109		Accum. Prov. for Deprec. of Util. Plant Leased to Others					
110		Accum. Plant for Deprec. of Prop. Held for Future Use					
111		Accum. Prov. for Amort. of Util. Plant in Service					
112		Accum. Prov. for Amor. of Util. Plant Leased to Others					
113		Accum. Prov. for Amort. of Prop. Held for Future Use					
115		Accum. Prov. for Amort. of Util. Plant Acquis. Adjmts.					
		TOTAL SEWAGE DISPOSAL (109-115)					
		TOTAL WATERWORKS & SEWAGE DISPOSAL (351-115)	-0-				42021

Note: Columns (b) & (d) thru (i): from Accounting Record Column (c): For information only, not part of this calculation

Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1 List the current accrual rates being used to calculate depreciation expense in Column C.

2 Identify the source of these accrual rates (PUCO Case No. _____). (If Accrual Rate changes during the year should be identified with effective date of the change _____).

3 Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

SCHEDULE: 10

MISCELLANEOUS CURRENT AND ACCRUED ASSETS ACCOUNT 174 (170)
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
N/A				
TOTALS	$	$	$	$

SCHEDULE: 11

EXTRAORDINARY PROPERTY LOSSES - ACCOUNT 182
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
N/A				
TOTAL EXTRAORDINARY PROPERTY LOSSES	$	$	$	$

SCHEDULE: 12

MISCELLANEOUS DEFERRED DEBITS - ACCOUNT 186 (183)
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
N/A				
TOTAL MISCELLANEOUS DEFERRED DEBITS	$	$	$	$

SCHEDULE: 13

RESEARCH AND DEVELOPMENT EXPENDITURES - ACCOUNT 187
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)+(c)-(d)
N/A				
TOTAL RESEARCH AND DEVELOPMENT EXPENDITURES	$	$	$	$

Annual Report of THE FAIRLANE WATER CO, INC Year Ended December 31, 19 98

SCHEDULE: 14

CAPITAL STOCK ACCOUNTS 201 & 204
(in dollars)

Class and Description of Capital Stock (a)	Par or Stated Value Per Share (b)	Shares Authorized (c)	Shares Issued and Outstanding (d)	Total Par Value of Stock Issues (e)=(b)x(d)	Dividends Declared Per Share For Year (f)	Total Dividends Declared (g)
COMMON:						
175 SHARES	100	175	175	17,500	-0	-0-
PREFERED:						
TOTALS	$ 100	175	175	$ 17500	$ -0-	$ -0-

Annual Report of THE FAIRLANE WATER CO., INC Year Ended December 31, 19 98

SCHEDULE: 15

LONG-TERM DEBT ACCOUNTS 221, 222, 223, & 224

1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.
2. In the remaining columns (b) - (i) respondent shall furnish the appropriate data.

Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
N/A								

SCHEDULE: 16

PREPAYMENTS - ACCOUNT 166
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
Prepaid Insurance				
Prepaid Rents				
Prepaid Taxes	50	-0-	-0-	50
Prepaid Interest				
Other Payments (Specify)				
TOTALS ACCT 166	$ 50	$ -0-	$ -0-	$ 50

SCHEDULE: 17

ACCUMULATED DEFERRED INCOME TAXES- ACCELERATED AMORTIZATION- ACCOUNT 281
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
N/A				
TOTAL ACCUM. DEF. INCOME TAXES-ACCEL. AMORTIZATION ACCT. 281	$	$	$	$

SCHEDULE: 18

ACCUMULATED DEFERRED INCOME TAXES-LIBERALIZED DEPRECIATION - ACCOUNT 282
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
N/A				
TOTAL ACCUM. DEF. INCOME TAXES-LIBERALIZED DEPRECIATION ACCT. 282	$	$	$	$

SCHEDULE: 19

ACCUMULATED DEFERRED INCOME TAXES - OTHER - ACCOUNT 283
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
N/A				
TOTAL ACCUM. DEFERRED INCOME TAXES-OTHER ACCT. 283	$	$	$	$

SCHEDULE: 20

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES - ACCOUNT 242 (238)
(in dollars)

Description of Assets (a)	Balance at End of Previous Year (b)	Debits (c)	Credits (d)	Balance at End of Current Year (e)=(b)-(c)+(d)
N/A				
TOTALS	$	$	$	$

Annual Report of THE FAIRLANE WATER CO. INC Year Ended December 31, 19 98

SCHEDULE: 21

OPERATING REVENUE ACCOUNTS

Account No.	Account Title	Amount (in dollars)
	SALES OF WATER:	
460	Unmetered Sales to General Customers	21036
461	Metered Sales to General Customers	
462	Private Fire Protection Service	
463	Public Fire Protection Service	
464	Other Sales to Public Authorities	
465	Sales to Irrigation Customers	
466	Sales for Resale	
467	Interdepartmental Sales	
	TOTAL SALES OF WATER (460-467)	21036
	OTHER OPERATING REVENUES:	
470	Forfeited Discounts	
471	Miscellaneous Service Revenues	
472	Rents From Water Property	
473	Interdepartmental Rents	
474	Other Water Revenues	
	TOTAL OTHER OPERATING REVENUES (470-474)	
	TOTAL WATERWORKS OPERATING REVENUES (460-474)	
	SEWAGE DISPOSAL REVENUES:	
521	Flat Rate Revenues-General Customers	
522	Measured Revenues-General Customers	
523	Revenues from Public Authorities	
524	Revenue from Other Systems	
525	Interdepartmental Revenues	
526	Miscellaneous Sewerage Revenues	
	TOTAL SEWAGE DISPOSAL REVENUES (521-526)	
	OTHER OPERATING REVENUES:	
531	Sale of Sludge	
532	Customers' Forfeited Discounts	
533	Servicings of Customers Laterals	
534	Rents from Sewer Properties	
535	Interdepartmental Rents	
536	Miscellaneous Operating Revenues	
	TOTAL OTHER OPERATING REVENUES (531-536)	
	TOTAL SEWAGE DISPOSAL OPERATING REVENUES (521-536)	
	TOTAL OPERATING REVENUES (460-536)	21,036

SCHEDULE: 22A

1. Class A & B waterworks and sewage disposal companies should use Schedule 22A, Class C companies should use Schedule 22B, and Class D companies should use Schedule 22C.

OPERATING EXPENSE ACCOUNTS (CLASS A & B) Page 1 of 4

FAIRLANE CLASS "D"

Account No.	Account Title N/A	Amount (in dollars)
	SOURCE OF SUPPLY EXPENSE:	
600	Operation Supervision and Engineering	
601	Operation Labor and Expenses	
602	Purchased Water	
603	Miscellaneous Expenses	
604	Rents	
610	Maintenance Supervision and Engineering	
611	Maintenance of Structures and Improvements	
612	Maintenance of Collecting and Impounding Reservoirs	
613	Maintenance of Lake, River and Other Intakes	
614	Maintenance of Wells and Springs	
615	Maintenance of Infiltration Galleries and Tunnels	
616	Maintenance of Supply Mains	
617	Maintenance of Miscellaneous Water Source Plant	
	TOTAL SOURCE OF SUPPLY EXPENSE (600-617)	
	PUMPING EXPENSE:	
620	Operation Supervision and Engineering	
621	Fuel for Power Production	
622	Power Production Labor and Expense	
623	Fuel or Power Purchased for Pumping	
624	Pumping Labor and Expenses	
625	Expenses Transferred-Cr.	
626	Miscellaneous Expenses	
627	Rents	
630	Maintenance Supervision and Engineering	
631	Maintenance of Structures and Improvements	
632	Maintenance of Power Production Equipment	
633	Maintenance of Pumping Equipment	
	TOTAL PUMPING EXPENSE (620-633)	
	WATER TREATMENT EXPENSES:	
640	Operation Supervision and Engineering	
641	Chemicals	
642	Operation Labor and Expenses	
643	Miscellaneous Expense	
644	Rents	
650	Maintenance of Supervision and Engineering	
651	Maintenance of Structures and Improvements	
652	Maintenance of Water Treatment Equipment	
	TOTAL WATER TREATMENT EXPENSE (640-652)	

SCHEDULE: 22A N/A

OPERATING EXPENSE ACCOUNTS (CLASS A & B) Page 2 of 4

Account No.	Account Title	Amount (in dollars)
	TRANSMISSION AND DISTRIBUTION EXPENSES:	
660	Operation Supervision and Engineering	
661	Storage Facilities Expense	
662	Transmission and Distribution Lines Expenses	
663	Meter Expenses	
664	Customer Installation Expenses	
665	Miscellaneous Expenses	
666	Rents	
670	Maintenance Supervision and Engineering	
671	Maintenance of Structures and Improvements	
672	Maintenance of Distribution Reservoirs and Standpipes	
673	Maintenance of Transmission and Distribution Mains	
674	Maintenance of Fire Mains	
675	Maintenance of Services	
676	Maintenance of Meters	
677	Maintenance of Hydrants	
678	Maintenance of Miscellaneous Plant	
	TOTAL TRANSMISSION AND DISTRIBUTION EXPENSES (660-678)	
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
	TOTAL SALES PROMOTION EXPENSES (910)	
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Expenses Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pensions and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	

SCHEDULE: 22A N/A

OPERATING EXPENSE ACCOUNTS
(CLASS A & B) Page 3 of 4

Account No.	Account Title	Amount (in dollars)
929	Duplicate Charges-Cr.	
930.1	Institutional or Goodwill Advertising Expenses	
930.2	Miscellaneous General Expenses	
930.3	Research and Development Expenses	
931	Rents	
932	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-932)	
	TOTAL WATERWORKS EXPENSES (600-932)	
	SEWAGE DISPOSAL:	
	COLLECTION EXPENSES:	
700	Collection Supervision and Engineering	
701	Collection Labor and Expenses	
702	Services to Customers	
703	Flow Measuring Device Expense	
704	Miscellaneous Expenses	
705	Rents	
710	Collection Maintenance Supervision and Engineering	
711	Maintenance of Collection Structures and Improvements	
712	Maintenance of Collection Sewers	
713	Maintenance of Services to Customers	
714	Maintenance of Flow Measuring Devices	
715	Maintenance of Flow Measuring Device Installation	
716	Maintenance of Other Collection Facilities	
	TOTAL COLLECTION EXPENSES (700-716)	
	PUMPING EXPENSES:	
720	Pumping Supervision and Engineering	
721	Fuel and Power Purchased for Pumping	
722	Pumping Labor and Expenses	
723	Expenses Transferred-Cr.	
724	Miscellaneous Expenses	
725	Rents	
730	Pumping Maintenance Supervision and Engineering	
731	Maintenance of Pumping Structures and Improvements	
732	Maintenance of Pumping Equipment	
	TOTAL PUMPING EXPENSES (720-732)	
	TREATMENT AND DISPOSAL EXPENSES:	
740	Treatment Supervision and Engineering	
741	Chemicals	
742	Treatment Labor and Expenses	
743	Fuel and Power for Sewage Treatment and Pumping	
744	Miscellaneous Expenses	
745	Rents	
750	T & D Maintenance Supervision and Engineering	

SCHEDULE: 22A N/A

OPERATING EXPENSE ACCOUNTS
(CLASS A & B) Page 4 of 4

Account No.	Account Title	Amount (in dollars)
751	Maintenance of T & D Structures and Improvements	
752	Maintenance of Treatment and Disposal Plant	
753	Maintenance of Other Treatment and Disposal	
	TOTAL TREATMENT AND DISPOSAL EXPENSES (740-753)	
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses and Flat Rate Inspections	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
914	Revenues from Merchandising, Jobbing and Contract Work	
915	Costs and Expenses of Merchandising, Jobbing and Contract Work	
	TOTAL SALES PROMOTION EXPENSES (910-915)	
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Taxes Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pension and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	
929	Duplicate Charges-Cr.	
930.1	Institutional or Goodwill Advertising Expense	
930.2	Miscellaneous General Expenses	
930.3	Research and Development Expenses	
931	Rents	
932	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-932)	
	TOTAL SEWAGE DISPOSAL (700-932)	
	TOTAL OPERATION AND MAINTENANCE EXPENSE (600-932)	

SCHEDULE: 22B N/A

1. Class A & B waterworks and sewage disposal companies should use Schedule 22A, Class C companiesshould use Schedule 22B, and Class D companies should use Schedule 22C.

OPERATING EXPENSE ACCOUNTS (CLASS C) Page 1 of 3

Account No.	Account Title	Amount (in dollars)
	WATERWORKS	
	SOURCE OF SUPPLY EXPENSE:	
600	Operation Labor	
601	Purchased Water	
602	Operation Supplies & Expenses	
605	Maintenance of Water Source Plant	
	TOTAL SOURCE OF SUPPLY EXPENSE (600-605)	
	PUMPING EXPENSE:	
620	Operation Labor	
621	Fuel for Power Production	
622	Fuel or Power Purchased for Pumping	
623	Operation Supplies & Expenses	
625	Maintenance of Pumping Plant	
	TOTAL PUMPING EXPENSE (620-625)	
	WATER TREATMENT EXPENSES:	
630	Operation Labor	
631	Chemicals	
632	Operation Supplies & Expense	
635	Maintenance of Water Treatment Plant	
	TOTAL WATER TREATMENT EXPENSE (630-635)	
	TRANSMISSION AND DISTRIBUTION EXPENSES:	
640	Operation Labor	
641	Operation Supplies & Expenses	
650	Maintenance of Distribution Reservoirs and Standpipes	
651	Maintenance of Mains	
652	Maintenance of Services	
653	Maintenance of Meters	
654	Maintenance of Hydrants	
655	Maintenance of Other Plant	
	TOTAL TRANSMISSION AND DISTRIBUTION EXPENSES (640-655)	
	CUSTOMER ACCOUNTS EXPENSES:	
901	Meter Reading Expenses	
902	Accounting and Collecting Labor	
903	Supplies & Expenses Expense	
904	Uncollectible Accounts	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-904)	

SCHEDULE: 22B N/A

OPERATING EXPENSE ACCOUNTS
(CLASS C) Page 2 of 3

Account No.	Account Title	Amount (in dollars)
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSE (907)	
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
	TOTAL SALES PROMOTION EXPENSES (910)	
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
922	Administrative Expenses Transferred-Cr.	
923	Outside Services Employed	
924	Property Insurance	
925	Injuries and Damages	
926	Employee Pensions and Benefits	
927	Franchise Requirements	
928	Regulatory Commission Expenses	
929	Duplicate Charges-Cr.	
930.1	Institutional or Goodwill Advertising Expenses	
930.2	Miscellaneous General Expenses	
930.3	Research and Development Expenses	
933	Transportation Expenses	
935	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-935)	
	TOTAL WATERWORKS EXPENSES (600-935)	
	SEWAGE DISPOSAL OPERATIONS EXPENSES:	
700	Supervision and Engineering	
701	Labor and Expenses	
702	Rents	
703	Fuel & Power Purch. for Pumping & Treatment	
704	Chemicals	
705	Misc. Supplies & Expenses	
	TOTAL OPERATIONS EXPENSES (700-705)	
	MAINTENANCE EXPENSES:	
710	Maintenance Supervision and Engineering	
711	Maintenance of Structures and Improvements	
712	Maintenance of Collection Sewers System	
713	Maintenance of Pumping System	
714	Maintenance of Treatment and Disposal Plant	
715	Maintenance of Other Plant Facilities	
	TOTAL MAINTENANCE EXPENSES (710-715)	

SCHEDULE: 22B N/A

Account No.	OPERATING EXPENSE ACCOUNTS (CLASS C) Page 3 of 3 Account Title	Amount (in dollars)
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses and Flat Rate Inspections	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	
	SALES PROMOTION EXPENSES:	
910	Sales Promotion Expenses	
914	Revenues from Merchandising, Jobbing and Contract Work	
915	Costs and Expenses of Merchandising, Jobbing and Contract Work	
	TOTAL SALES PROMOTION EXPENSES (910-915)	
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
923	Outside Services Employed	
924	Insurance Expense	
926	Employee Pension and Benefits	
928	Regulatory Commission Expenses	
930	Miscellaneous General Expenses	
931	Rents	
932	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-932)	
	TOTAL SEWAGE DISPOSAL (700-932)	
	TOTAL OPERATION AND MAINTENANCE EXPENSE (600-932)	

SCHEDULE: 22C

1. Class A & B waterworks and sewage disposal companies should use Schedule 22A, Class C companies should use Schedule 22B, and Class D companies should use Schedule 22C.

OPERATING EXPENSE ACCOUNTS
(CLASS D) Page 1 of 2

Account No.	Account Title	Amount (in dollars)
	WATERWORKS	
	PLANT OPERATION & MAINTENANCE:	
600	Salaries & Wages	
610	Purchased Water	
620	Fuel or Power Purch. for Pumping	2624
630	Chemicals	124
640	Supplies & Expenses 940 TESTING	940
650	Repairs of Water Plant	5118
660	Transportation Expenses	1056
	TOTAL PLANT OPER. & MAINT. (600-660)	9862
	GENERAL EXPENSES:	
680	Administrative and General Salaries	2800
681	Office Supplies and Other Expenses 417 +173 +181 +375 +112	1268
682	Outside Services Employed 225 + 1000	1225
684	Insurance Expense	
686	Employee Pensions and Benefits	
688	Regulatory Commission Expenses	100
689	Miscellaneous General Expenses	91
690	Uncollectible Accounts	
	TOTAL GENERAL EXPENSES (680-690)	5484
	TOTAL WATERWORKS EXPENSES (600-690)	15346
	SEWAGE DISPOSAL	
	OPERATIONS EXPENSES:	
700	Supervision and Engineering	
701	Labor and Expenses	
702	Rents	
703	Fuel & Power Purch. for Pumping & Treatment	
704	Chemicals	
705	Misc. Supplies & Expenses	
	TOTAL OPERATIONS EXPENSES (700-705)	
	MAINTENANCE EXPENSES:	
710	Maintenance Supervision and Engineering	
711	Maintenance of Structures and Improvements	
712	Maintenance of Collection Sewers System	
713	Maintenance of Pumping System	
714	Maintenance of Treatment and Disposal Plant	
715	Maintenance of Other Plant Facilities	
	TOTAL MAINTENANCE EXPENSES (710-715)	

15346
DPW 615
TAXES 1612
17,573

SCHEDULE: 22C

OPERATING EXPENSE ACCOUNTS
(CLASS D) Page 2 of 2

Account No.	Account Title	Amount (in dollars)
	CUSTOMER ACCOUNTS EXPENSES:	
901	Supervision	
902	Meter Reading Expenses and Flat Rate Inspections	
903	Customer Records and Collection Expenses	
904	Uncollectible Accounts	
905	Miscellaneous Customer Accounts Expense	
	TOTAL CUSTOMER ACCOUNTS EXPENSES (901-905)	
	CUSTOMER SERVICE EXPENSES:	
907	Customer Service and Information Expenses	
	TOTAL CUSTOMER SERVICE EXPENSES (907)	
	SALES PROMOTION EXPENSES	
910	Sales Promotion Expenses	
914	Revenues from Merchandising, Jobbing and Contract Work	
915	Costs and Expenses of Merchandising, Jobbing and Contract Work	
	TOTAL SALES PROMOTION EXPENSES (910-915)	
	ADMINISTRATIVE AND GENERAL EXPENSES:	
920	Administrative and General Salaries	
921	Office Supplies and Other Expenses	
923	Outside Services Employed	
924	Insurance Expense	
926	Employee Pension and Benefits	
928	Regulatory Commission Expenses	
930	Miscellaneous General Expenses	
931	Rents	
932	Maintenance of General Plant	
	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES (920-932)	
	TOTAL SEWAGE DISPOSAL (700-932)	
	TOTAL OPERATION AND MAINTENANCE EXPENSE (600-932)	15346

SCHEDULE: 23

TAXES OTHER THAN INCOME TAXES-OPERATING ACCOUNT 408.1
(in dollars)

Type of tax:	$ Amount
Ohio Property Tax	1602
Ohio Gross Receipts Tax	10
F.I.C.A.	
Other (Specify List)	
TOTAL ACCOUNT 408.1	1612

SCHEDULE: 24

EMPLOYEE COMPENSATION N/A

	Number of Employees as of December 31			Total Compensation for Year Ending December 31	Distribution of Wages		
	Male	Female	Total		Operation & Maintenance Accounts	Construction	Other (Specify)
Part-time Employees							
Full-time Employees							
TOTAL ALL EMPLOYEES							

SCHEDULE: 25

GENERAL INFORMATION-WATERWORKS

1. Number of reservoirs ONE CEMENT LINED PRESSURE TANK
   a. State whether natural or artificial ARTIFICIAL
   b. Kind of reservoir (earthen or masonry) STEEL TANK
   c. Capacity of each reservoir 5000 GALLONS
   d. Are reservoirs covered or open? COVERED
   e. Distance of each reservoir from pumping station PART OF PLANT
   f. Elevation of each reservoir above pumping station PART OF PLANT
2. Number of standpipes NONE
3. Method of purification used CHLORINATION
4. State type of power used for pumping, whether steam, hydraulic, electric or gas? ELECTRIC
5. Number of gallons of water pumped during the year 11,000,000 EST
6. Quantities of Water 11,000,000 EST
   a. Produced and/or purchased NONE
   b. Delivered to the customer 11,000,000 EST
   c. Lost or unaccounted for NONE EST
7. State source of water supply, whether rivers, lakes springs or wells WELLS
8. Of the Ohio customers, the number that are:
   a. Year-round customers 117
   b. Seasonal/Summer customers 117
   c. Available-for-Use Customers 117
9. Total number of customers as of close of business in December:
   a. Ohio 117
   b. Entire Company 117
10. AFUDC rate(s) used during year N/A
11. Calculation of AFUDC rate(s) used: N/A

SCHEDULE: 26

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)

FOR OHIO AT CLOSE OF YEAR

("Intrastate means from one point in Ohio to another point in Ohio, or wholly within Ohio.")

(For the uses and purposes designated in Revised Code Section 4905.10, assessment for maintaining the Public Utilities Commission of Ohio.)

		Amount (in dollars)		
Acct. No.	Item	Total (1)	Interstate (Other Than Ohio) (2)	Ohio Intrastate (3) = (1) - (2)
400	Waterworks Operating Revenues	21,036		21,036
521-526	Sewage Disposal Operating Revenues			
413	Revenue From Utility Plant Leased to Others			
414	Gains from Disposition of Utility Prop.			
415	Revenues from Merch., Jobbing & Contract Work			
417	Revenues from Nonutility Operations			
418	Nonoperating Rental Income			
419	Interest & Dividend Income			
421	Misc. Nonoperating Income			
422	Gain from Disposition of Nonutility Prop.			
433-409.3	Extraordinary Income			
	SUBTOTAL	21,036		21,036
466	Earnings or Receipts from Sales to			
	Utilities for Resale	( )	( )	( )
	TOTAL	21,036		21,036

Note: Total Column should agree with revenue reported on Schedule 5 and Schedule 21.

SCHEDULE: 27

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

RICHARD E. HINMAN — Name

TREASURER — Title

70 NORTH MILLER ROAD — Address

FAIRLAWN, OH 44333

330-867-2015 — Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

SAME — Name

Title

Address

Phone Number (Including Area Code)

Name and Address of the President

RICHARD A. SCHULTZ — Name

President

1100 INDUSTRY ROAD ATWATER, OHIO 44201 — Address

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of OHIO
County of PORTAGE

RICHARD E. HINMAN makes oath and says that
(Insert here the name of the affiant.)

(he) she is TREASURER
(Insert here the official title of deponent)

of THE FAIRLANE WATER Co., INC.
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including JAN. 01, 1998 to and including DEC 31, 1998.

Richard E. Hinman 4-29-99
(Signature of affiant.)

BRENDA K. VALDEZ, NOTARY PUBLIC
RESIDENCE-SUMMIT COUNTY
STATE WIDE JURISDICTION, OHIO
MY COMMISSION EXPIRES
FEBRUARY 27, 2004

ANNUAL MEETING OF THE
BOARD OF DIRECTORS
THE FAIRLANE WATER CO., INC.

The undersigned, being all of the Directors of THE FAIRLANE WATER CO., INC. hereby waive notice of the annual meeting of the Directors and consent that such meeting be held at the principal office and place of business of the Corporation on 2/19/97, the purpose of said meeting being the receipt of reports of Directors and Officers, the election of Officers and the transaction of any other business which may come before the meeting.

Richard A. Schultz Delores Schultz

MINUTES

The 1997 annual meeting of the Directors of the above Corporation for the year ending December 31, 1996 was held at the principal office and place of business of the Corporation on 2/19/97, pursuant to the foregoing waiver of notice.

The following attended, being all of the Directors:

Richard A Schultz
Delores M Schultz

Others present at this meeting were: None.

The President of the Corporation acted as Chairman and the Secretary acted as Recording Secreatry of the meeting. The Chairman announced that the meeting was duly convened and that the meeting was ready to transact such business as may lawfully come before it.

The Chairman then called for nominations for Officers of the Corporation for the ensuing year and the following nominations were made:

PRESIDENT - Richard A Schultz
VICE PRESIDENT - Dolores M Schultz
SECRETARY - Dolores M Schultz
TREASURER - Richard E Hinman

There being no other nominees, the Secretary was instructed to cast a unanimous ballot for the foregoing to act as Officers of the Corporation, to serve for one year or until successors are elected or appointed. The newly elected President thereupon took the Chair.

There was presented the financial report of the Corporation as tentatively prepared by the accountant for the Corporation, and upon motion, duly made, seconded and carried, the report was accepted and approved.

The Chairman then placed before the meeting Officers' reports, Board of Directors minutes and other memoranda of corporate transactions since the last annual meeting of the Directors. Upon motion duly made, seconded and carried, it was unanimoulsy:

> RESOLVED, that all actions of the Officers and Board of Directors and any corporate transaction since the last annual meeting of the Directors are hereby approved and ratified.

There being no further business, on motion, duly made, seconded, and carried, the meeting was adjourned.

Richard A. Schultz
Chairman

Dolores Schultz
Recording Secreatry

Form U-WW
Prescribed by Tax Commissioner

RECEIVED
MAY 0 4 1999
PUCO FISCAL

1/1

STATE OF OHIO - DEPARTMENT OF TAXATION
Water Works - 1999 Annual Report
(Due March 1, 1999) EXTENSION TO 4/30/99 ATTACHED

Company Information

NAME: FAIRLANE WATER COMPANY INC
FEIN: 34-1109595
*ADDRESS: 1100 INDUSTRY RD
AKWATER, OHIO 44201

PHONE: 330-947-2600
FAX:

* This will be the mailing address for all assessments

Contact Information

CONTACT NAME: RICHARD E. HINMAN
ADDRESS: 70 N. MILLER RD
FAIRLAWN, OHIO 44333

PHONE: 330-867-2015
FAX: 330-867-2017

Name, Title, and Address of Officers:

*(name, title)		*(address)
RICHARD A. SCHULTE	PRES.	SAME AS COMPANY
DOLORES M. SCHULTE	VP	SAME AS COMPANY
RICHARD E. HINMAN	TREAS	SAME AS CONTACT

* Abbreviate if necessary

Type of Entity:

"C" Corporation [X]
"S" Corp or Partnership [ ]
Cooperative [ ]
Sole Proprietor [ ]

Organized as:

For profit business [X]
Not for profit business (See Sec. 1702.01 O.R.C.) [ ]

State of Incorporation: OHIO
Date of Incorporation: 7-23-70
Ohio Charter Number or Foreign License Number: 400413
If incorporated in a state other than Ohio, give the date qualified to do business in Ohio: N/A

List the names of all persons, partnerships, corporations, etc. that own at least 25% of the outstanding voting stock, the number of shares and the percentage of ownership.

RICHARD A. SCHULTE 175 SHARES 100%

Please complete the following questions:

1. Are you required to file an Annual Report with the Federal Energy Regulatory Commission? [ ] Yes [X] No
2. Are you required to file an Annual Report with the Public Utility Commission of Ohio? [X] Yes [ ] No
3. As of Dec. 31, 1998, did you own any real or tangible personal property that was not reflected on your books and records? [ ] Yes [X] No
(If yes, please explain under notes and comments on Declaration page)
4. Did you make any write downs to the cost of real or tangible personal property during the preceding year? [ ] Yes [X] No
(If yes, please explain under notes and comments on Declaration page)
5. Did you sell any real or tangible personal property to a nonutility and lease the property back during the preceding year? [ ] Yes [X] No
(If yes, please explain under notes and comments on Declaration page)

FOR USE BY THE DEPARTMENT OF TAXATION ONLY - DO NOT WRITE BELOW

	Date Received	Late	Days	Penalty
Form U-WW				
County & T.D. Recap				
PUCO Return				
FERC Return				
Other				

Total Penalty: _____ %

-- Application for Extension of Time to File --
*Ohio 1999 Public Utility Personal Property Tax Report

[Call (614) 466-7371 with any Questions]

Company Name: FAIRLANE WATER COMPANY

Company FEIN: 34-1109595

Person Req. Ext.: RICHARD HINMAN

Phone Number: 330-867-2015

Date: 2/24/99

Fax Number: 330-867-2017 (must provide for confirmation)

The above referenced public utility desires an extension of filing its annual public utility personal property tax return for a period of:

☐ 15 Days ☐ 30 Days ☐ ***45 Days ☑ ***60 Days

*** An extension beyond 30 days must provide an extenuating reason on the space provided below ***

Extenuating Reason(s): See attached correspondence from Mr. Hinman

---

An extension can only be granted if our office receives the request by March 1, 1999. Confirmation of the extension will be sent via the fax number provided above within two business days of receipt (mailed at your risk if a fax number is not provided).

Fax the extension request to the Public Utility Tax Division at (614) 752-2496 or mail your extension to:

Ohio Department of Taxation
Public Utility Tax Division - PUPPEXT
PO Box 530
Columbus, OH 43216-0530

Confirmation of Extension - For use by Public Utility Tax Division Only

✓ **Your extension request has been approved for** 60 **Days; *Due by:** April 30, 1999

___ **Your extension has been denied because** _____

Kathrin Thomas — 2/24/99

Tax Agent/Supervisor Signature **Date**

* As used for this extension request, "Public Utility Personal Property" includes interexchange telecommunication and railroad companies
* "Due by" or "receives" means actual receipt of the document by the Department of Taxation on or before that date (not a mailing date).

SCHEDULE A - BALANCE SHEET

Assets and Other Debits

2

Line	Account	Beginning Balance	Ending Balance	Increase (Decrease)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	53,488	57,388	3,900
3	Construction Work in Progress (107)			
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)	53,488	57,388	3,900
5	(Less) Accum Prov for Depr Amort Depl (108-113, 115)	(41,406)	(42,021)	(615)
6	Net Utility Plant (Enter Total of line 4 less 5)	12,082	15367	3,285
7	Utility Plant Adjustments (116)			
8				
9				
10	TOTAL (Enter Total of lines 6-9)	12,082	15,367	3285
11				
12	**OTHER PROPERTY AND INVESTMENTS**			
13	Nonutility Property (121)			
14	(Less) Accum Prov For Depr and Amort (122)			
15	Investments in Associated Companies (123)			
16	Other Investments (124)			
17	Special Funds (125-128)			
18				
19				
20				
21	TOTAL (Enter Total of lines 13-20)	-0-		-0-
22				
23	**CURRENT AND ACCRUED ASSETS**			
24	Cash (131)	1025	3732	2707
25	Special Deposits (132-134)			
26	Working Funds (135)			
27	Temporary Cash Investments (136)			
28	Notes Receivable (141)			
29	Customer Accounts Receivable (142)	309	336	27
30	Other Accounts Receivable (143)	3808	1252	(2556)
31	(Less) Accum Prov For Uncollectible Acct - Credit (144)			
32	Notes Receivable from Associated Companies (145)			
33	Accounts Receivable from Associated Companies (146)			
34	Fuel Stock (151)			
35	Fuel Stock Expense Undistributed (152)			

Line	Account	Beginning Balance	Ending Balance	Increase (Decrease)
36	Plant Materials and Operating Supplies (154)			
37	Merchandise (155)			
38	Other Materials and Supplies (156)			
39	Stores Expenses Undistributed (163)			
40	Prepayments (166)			
41	Interest and Dividends Receivable (171)			
42	Rents Receivable (172)			
43	Accrued Utility Revenues (173)			
44	Miscellaneous Current and Accrued Assets (174)			
45	PREPAID TAX	50	50	—
46				
47	TOTAL (Enter Total of lines 24-46)	5192	5370	178
48				
49				
50	**DEFERRED DEBITS**			
51	Unamortized Debt Expense (181)			
52	Extraordinary Property Losses (182)			
53	Preliminary Survey and Investigation Charges (183)			
54	Clearing Accounts (184)			
55	Temporary Facilities (185)			
56	Miscellaneous Deferred Debits (186)			
57	Research, Devel And Demonstration Expend (187			
58				
59				
60				
61				
62	TOTAL (Enter Total of lines 51-61)			
63				
64				
65				
66				
67				
68				
69	**Total Assets & Other Debits (Lines 10, 21, 47, & 62)**	17274	20737	3463

SCHEDULE A - BALANCE SHEET

Liabilities and Other Credits

3

Line	Account	Beginning Balance	Ending Balance	Increase (Decrease)
1	**PROPRIETARY CAPITAL**	17,500	17500	—
2	Common Stock Issued (201)			
3	Preferred Stock Issued (204)			
4	Capital Stock Subscribed (202 & 205)			
5	Stock Liability for Conversion (203 & 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-in Capital (208-211)			
8	Installments Received on Capital Stock (212)			
9	(Less) Discount on Capital Stock (213)			
10	(Less) Capital Stock Expense (214)			
11	Retained Earnings (215 & 216)	(1457)	2006	3463
12	(Less) Reacquired Capital Stock (217)			
13				
14				
15				
16	TOTAL (Enter Total of lines 2-15)	16043	19506	3463
17				
18	**LONG-TERM DEBT**			
19	Bonds (221)			
20	(Less) Reacquired Bonds (222)			
21	Advances from Associated Companies (223)			
22	Other Long - Term Debt (224)	-0-		
23				
24				
25				
26				
27	TOTAL (Enter Total of lines 19-26)			
28				
29	**CURRENT AND ACCRUED LIABILITIES**			
30	Notes Payable (231)	1231	1231	-0-
31	Accounts Payable (232)			
32	Notes Payable to Associated Companies (233)			
33	Accounts Payable to Associated Companies (234)			
34	Customer Deposits (235)			
35	Taxes Accrued (236)			

Line	Account	Beginning Balance	Ending Balance	Increase (Decrease)
36	Interest Accrued (237)			
37	Dividends Declared (238)			
38	Matured Long-Term Debt (239)			
39	Matured Interest (240)			
40	Tax Collections Payable (241)			
41	Miscellaneous Current and Accrued Liabilities (242)			
42				
43				
44	TOTAL (Enter Total of lines 30-43)	1231	1231	-0-
45				
46	**DEFERRED CREDITS**			
47	Unamortized Premium on Debt (251)			
48	Customer Advances for Construction (252)			
49	Other Deferred Credits (253)			
50	Accumulated Deferred Investment Tax Credits (255)			
51	Accumulated Deferred Income Taxes (281-283)			
52				
53				
54				
55	TOTAL (Enter Total of lines 47-54)	-0-	-0-	—
56				
57	**OPERATING RESERVES**			
58	Property Insurance Reserve (261)			
59	Injuries and Damages Reserve (262)			
60	Pensions and Benefits Reserve (263)			
61	Miscellaneous Operating Reserves (265)			
62	Contributions in Aid of Construction (271)			
63				
64	TOTAL (Enter Total of lines 58-63)			
65				
66				
67				
68		-0-	-0-	—
69	**TOTAL Liabilities and Other Credits (Total of lines 16, 27, 44, 55, & 64)**	17,274	20737	3463

SCHEDULE B - LISTING OF OHIO PROPERTY

Line	Account (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers and Adjustments In (e)	Transfers and Adjustments Out (f)	Ending Balance (g)	Exemptions and Exclusions: Certified Pollution Control Facilities (h)	Real Property (i)	Licensed Motor Vehicles (j)	Capitalized Interest (k)	Other (l)	Total Exemptions and Exclusions (m)	Net Cost of Taxable Property (n)	Accrued Depreciation and Amortization (o)	Net Book Value of Net Cost of Taxable Property (p)
2	101 UTILITY PLANT IN SERVICE AND	53,488	3900				57388									
3	102 COMPLETED CONSTRUCTION - NOT CLASSIFIED															
5	INTANGIBLE PLANT	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
6	301 Organization															
7	302 Franchise and Consents															
8	303 Miscellaneous Intangible Plant															
9	TOTAL INTANGIBLE PLANT															
10	Total Net Book Value of Intangible Plant (Ending Balance):															
12	SOURCE OF SUPPLY PLANT	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
13	310 Land and Land Rights															
14	311 Structures and Improvements															
15	312 Collecting and Impounding Reservoirs															
16	313 Lake River and Other Intakes															
17	314 Wells and Springs															
18	315 Infiltration Galleries and Tunnels															
19	316 Supply Mains															
20	317 Other Water Source Plant															
21	TOTAL SOURCE OF SUPPLY PLANT															
22	Total Net Book Value of Source of Supply Plant (Ending Balance):							Source of Supply Plant (FERC Accounts 310 - 317) to be listed & valued on Schedule C - 25 Year Class Life.								
24	PUMPING PLANT															
25	320 Land and Land Rights	1000					1000							1000	-0-	1000
26	321 Structures and Improvements	2000					2000							2000	1006	994
27	322 Boiler Plant Equipment															
28	323 Other Power Production Equipment															
29	324 Steam Pumping Equipment															
30	325 Electric Pumping Equipment	18342	3,900				22242							22242	8869	13373
31	326 Diesel Pumping Equipment															
32	327 Hydraulic Puming Equipment															
33	328 Other Pumping Equipment	5615					5615							5615	5615	-0-

26,957

5

SCHEDULE B - LISTING OF OHIO PROPERTY

Line	Account (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers and Adjustments In (e)	Transfers and Adjustments Out (f)	Ending Balance (g)	Exemptions and Exclusions: Certified Pollution Control Facilities (h)	Exemptions and Exclusions: Real Property (i)	Exemptions and Exclusions: Licensed Motor Vehicles (j)	Exemptions and Exclusions: Capitalized Interest (k)	Exemptions and Exclusions: Other (l)	Total Exemptions and Exclusions (m)	Net Cost of Taxable Property (n)	Accrued Depreciation and Amortization (o)	Net Book Value of Net Cost of Taxable Property (p)
34	TOTAL PUMPING PLANT	26,957	3,900				30857						-0-	30857	15490	15367
35			Total Net Book Value of Pumping Plant (Ending Balance):				30857		Pumping Plant (FERC Accounts 320 - 328) to be listed & valued on Schedule C - 25 Year Class Life.							
36																
37	WATER TREATMENT PLANT	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
38	330 Land and Land Rights															
39	321 Structures and Improvements															
40	332 Fuel Holders, Products, and Accessories															
41	TOTAL WATER TREATMENT PLANT															
42			Total Net Book Value of Water Treatment Plant (Ending Balance):						Water Treatment Plant (FERC Accounts 330 - 332) to be listed & valued on Schedule C - 30 Year Class Life.							
43																
44	TRANSMISSION AND DISTRIBUTION PLANT	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
45	340 Land and Land Rights															
46	341 Structures and Improvements															
47	342 Distribution Reservoirs and Standpipes												-	23000	23,000	-0-
48	343 Transmission and Distribution Mains	23000					23000									
49	344 Fire Mains												-	800	800	-0-
50	345 Services	800					800									
51	348 Meters															
52	348 Hydrants															
53	349 Other Transmission and Distribution Plant															
54	TOTAL TRANSMISSION AND DISTRIBUTION PLANT	23,800					23800							23800	23800	-0-
55			Total Net Book Value of Transmission & Distribution Plant (Ending Balance):				23800		Transmission & Distribution Plant (FERC Accounts 340 - 348) to be listed & valued on Sch. C - 50 Year Class Life.							
56																
57	GENERAL PLANT	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
58	389 Land and Land Rights															
59	390 Structures and Improvements													1031	1031	-0-
60	391 Office Furniture and Equipment	1031					1031							1700	1700	-0-
61	392 Transportation Equipment	1700					1700									
62	393 Stores Equipment															
63	394 Tools, Shop and Garage Equipment															
64	395 Laboratory Equipment															
65	396 Power Operated Equipment															
66	397 Communication Equipment															

SCHEDULE B - LISTING OF OHIO PROPERTY

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Line	Account (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers and Adjustments In (e)	Transfers and Adjustments Out (f)	Ending Balance (g)	Exemptions and Exclusions: Certified Pollution Control Facilities (h)	Exemptions and Exclusions: Real Property (i)	Exemptions and Exclusions: Licensed Motor Vehicles (j)	Exemptions and Exclusions: Capitalized Interest (k)	Exemptions and Exclusions: Other (l)	Total Exemptions and Exclusions (m)	Net Cost of Taxable Property (n)	Accrued Depreciation and Amortization (o)	Net Book Value of Net Cost of Taxable Property (p)
67	398 Miscellaneous Equipment															
68	399 Other Tangible Property															
69	TOTAL GENERAL PLANT	2731					2731						—	2731	2731	—0—
70			Total Net Book Value of General Plant (Ending Balance):				2731		General Plant (FERC Accounts 389 - 399) to be listed & valued on Schedule C - 15 Year Class Life.							
71																
72	TOTAL ACCOUNTS 101 AND 102															
73																
74	TOTAL ACCOUNT 101															
75																
76	TOTAL ACCOUNT 102	53,488	3900				57388							57388	42021	15367
77																
78																
79																
80																
81																
82																
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98																
99																

1

SCHEDULE B - LISTING OF OHIO PROPERTY

Line	Account (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers and Adjustments In (e)	Transfers and Adjustments Out (f)	Ending Balance (g)	Exemptions and Exclusions: Certified Pollution Control Facilities (h)	Real Property (i)	Licensed Motor Vehicles (j)	Capitalized Interest (k)	Other (l)	Total Exemptions and Exclusions (m)	Net Cost of Taxable Property (n)	Accrued Depreciation and Amortization (o)	Net Book Value of Net Cost of Taxable Property (p)
100	103 Utility Plant in Process of Reclassification															
101	Account 103 Net Book Value of Ending Balance:															
102	104 Utility Plant Leased to Others															
103	Account 104 Net Book Value of Ending Balance:															
104	105 Property Plant Held for Future Use															
105	Account 105 Net Book Value of Ending Balance:															
106	106 Utility Plant Purchased or Sold															
107	Account 106 Net Book Value of Ending Balance:															
108	107 Construction Work in Process															
109	Account 107 Net Book Value of Ending Balance:															
110	114 Utility Plant Acquisition Adjustment															
111	Account 114 Net Book Value of Ending Balance:															
112	116 Other Utility Plant Adjustments															
113	Account 116 Net Book Value of Ending Balance:															
114	121 Nonutility Property															
115	Account 121 Net Book Value of Ending Balance:															
116	Subtotal of Accounts 103 to 121															
117	Total Net Book Value of Ending Balance:															
118																
119																
120	151 Fuel Stock															
121																
122	154 Plant Materials and Operating Supplies															
123																
124	155 Merchandise															
125																
126	156 Other Materials and Supplies															
127																
128	Subtotal of Accounts 151 to 156															
129																
130																
131																
132	GRAND TOTAL (LINES 72, 116, & 128)	53488	3900				57,388						—	57,388	42021	15367

SCHEDULE C - 25 YEAR CLASS LIFE (SUPPLY PLANT) N/A 8

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
1	1998									98.0%		1
2	1997									94.0%		2
3	1996									90.0%		3
4	1995									86.0%		4
5	1994									82.0%		5
6	1993									78.0%		6
7	1992									74.0%		7
8	1991									70.0%		8
9	1990									66.0%		9
10	1989									62.0%		10
11	1988									58.0%		11
12	1987									54.0%		12
13	1986									50.0%		13
14	1985									46.0%		14
15	1984									42.0%		15
16	1983									38.0%		16
17	1982									34.0%		17
18	1981									30.9%		18
19	1980									28.6%		19
20	1979									26.3%		20
21	1978									24.1%		21
22	1977									21.8%		22
23	1976									19.5%		23
24	1975									17.3%		24
25	1974									15.0%		25
26	Prior									15.0%		26
27	Totals											27

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SCHEDULE C - 25 YEAR CLASS LIFE (PUMPING PLANT)

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
1	1998	3900							3900	98.0%	3822	1
2	1997	9865							9865	94.0%	9273	2
3	1996									90.0%		3
4	1995	203							203	86.0%	175	4
5	1994									82.0%		5
6	1993									78.0%		6
7	1992	1718							1718	74.0%	1271	7
8	1991	364							364	70.0%	255	8
9	1990									66.0%		9
10	1989									62.0%		10
11	1988									58.0%		11
12	1987									54.0%		12
13	1986	2482							2482	50.0%	1241	13
14	1985									46.0%		14
15	1984									42.0%		15
16	1983									38.0%		16
17	1982									34.0%		17
18	1981									30.9%		18
19	1980									28.6%		19
20	1979									26.3%		20
21	1978									24.1%		21
22	1977									21.8%		22
23	1976	230							230	19.5%	45	23
24	1975									17.3%		24
25	1974									15.0%		25
26	Prior	12095		3,000				3000	9095	15.0%	1364	26
27	Totals	30,857		3,000				3,000	27,857		17446	27

SCHEDULE C - 30 YEAR CLASS LIFE (WATER TREATMENT PLANT) N/A

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
1	1998									98.3%		1
2	1997									95.0%		2
3	1996									91.7%		3
4	1995									88.3%		4
5	1994									85.0%		5
6	1993									81.7%		6
7	1992									78.3%		7
8	1991									75.0%		8
9	1990									71.7%		9
10	1989									68.3%		10
11	1988									65.0%		11
12	1987									61.7%		12
13	1986									58.3%		13
14	1985									55.0%		14
15	1984									51.7%		15
16	1983									48.3%		16
17	1982									45.0%		17
18	1981									41.7%		18
19	1980									38.3%		19
20	1979									35.0%		20
21	1978									31.7%		21
22	1977									29.8%		22
23	1976									28.0%		23
24	1975									26.1%		24
25	1974									24.3%		25

SCHEDULE C - 30 YEAR CLASS LIFE (WATER TREATMENT PLANT) //

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
26	1973									22.4%		26
27	1972									20.6%		27
28	1971									18.7%		28
29	1970									16.9%		29
30	1969									15.0%		30
31	Prior									15.0%		31
32	Totals											32

SCHEDULE C - 50 YEAR CLASS LIFE (TRANSMISSION AND DISTRIBUTION PLANT)

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
1	1998									99.0%		1
2	1997									97.0%		2
3	1996									95.0%		3
4	1995									93.0%		4
5	1994									91.0%		5
6	1993									89.0%		6
7	1992									87.0%		7
8	1991									85.0%		8
9	1990									83.0%		9
10	1989									81.0%		10
11	1988									79.0%		11
12	1987									77.0%		12
13	1986									75.0%		13
14	1985									73.0%		14
15	1984									71.0%		15
16	1983									69.0%		16
17	1982									67.0%		17
18	1981									65.0%		18
19	1980									63.0%		19
20	1979									61.0%		20
21	1978									59.0%		21
22	1977									57.0%		22
23	1976									55.0%		23
24	1975									53.0%		24
25	1974									51.0%		25
26	1973	800							800	49.0%	392	26
27	1972									47.0%		27

SCHEDULE C - 50 YEAR CLASS LIFE (TRANSMISSION AND DISTRIBUTION PLANT) B

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
28	1971	23000							23,000	45.0%	10350	28
29	1970									43.0%		29
30	1969									41.0%		30
31	1968									39.0%		31
32	1967									37.0%		32
33	1966									35.0%		33
34	1965									33.0%		34
35	1964									31.0%		35
36	1963									29.9%		36
37	1962									28.9%		37
38	1961									27.8%		38
39	1960									26.7%		39
40	1959									25.7%		40
41	1958									24.6%		41
42	1957									23.5%		42
43	1956									22.5%		43
44	1955									21.4%		44
45	1954									20.3%		45
46	1953									19.3%		46
47	1952									18.2%		47
48	1951									17.1%		48
49	1950									16.1%		49
50	1949									15.0%		50
51	Prior									15.0%		51
52	Totals	23,800							23,800		10742	52

SCHEDULE C - 15 YEAR CLASS LIFE (GENERAL PLANT) 14

Line	Vintage Year (a)	Ending Balance (b)	Exemptions and Exclusions: Certified Pollution Control Facilities (c)	Real Property (d)	Licensed Motor Vehicles (e)	Capitalized Interest (f)	Other (g)	Total Exemptions and Exclusions (h)	Net Cost of Taxable Property (i)	Percent Good (j)	True Value of Taxable Property (k)	Line
1	1998									96.7%		1
2	1997									90.0%		2
3	1996									83.3%		3
4	1995									76.7%		4
5	1994	102							102	70.0%	71	5
6	1993									63.3%		6
7	1992									56.7%		7
8	1991	1700							1700	50.0%	850	8
9	1990									43.3%		9
10	1989	641							641	36.7%	235	10
11	1988									31.3%		11
12	1987									27.2%		12
13	1986									23.1%		13
14	1985									19.1%		14
15	1984	189							189	15.0%	28	15
16	Prior	99							99	15.0%	15	16
17	Totals	2731							2731		1199	17

SCHEDULE D - POLLUTION CONTROL FACILITY EXEMPTION

N/A

15

Applications for Pollution Control Facility Exemption

Plant Name and Location (a)	Type (b)	Application Number (c)	Cost Sought to be Exempt (d)

Exempt Pollution Control Facilities

Plant Name and Location (a)	Type (b)	Application Number (c)	Certificate Number (d)	Approved Cost (e)

SCHEDULE E - OTHER EXEMPT PROPERTY N/A

Account Number	Account Name	Amount Exempt	Description of Exempt Property

SCHEDULE F - PROPERTY LEASED FROM OTHERS N/A No

Lessor Name and Address	Gross Annual Rent	Property Description	Used in the Rendition of a P. U. Service (Yes or No)

NOTES AND COMMENTS

N/A

DECLARATION

"I declare under penalties of perjury that this return (including any accompanying schedule or statement) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return and report and that this public utility has not, during the preceding year, except as permitted by Sections 3517.082, 3599.03, and 3599.031 of the Ohio Revised Code, directly or indirectly paid, used or offered, consented, or agreed to pay or use any of its money or property for or in aid of or opposition to a political party, a candidate for election or nomination to public office, or a political action committee, legislative campaign fund, or organization that supports or opposes any such candidate or in any manner used any of its money or property for any partisan political purpose whatever, or for the reimbursement or indemnification of any person for money or property so used."

4-29-99	Richard E. Dinman	Treas.
Date	Signature of Authorized Person	Title

JUST A REMINDER! DID YOU: N/A

1. Complete all schedules and answer all questions in the Annual Report? (If there is nothing to report on a schedule, enter the word "None". The Annual Report must be completed and filed even though you may not have property in Ohio)

2. Date and sign the Annual Report?

3. Update the apportionment information on the County and Taxing District Recap?
(The pre-printed recap is a part of the Annual Report and must be updated and filed with the Annual Report.)

4. Include a copy of the Annual Report filed with a Federal Regulatory Agency?
(If required to file)

5. Include a copy of the Annual Report filed with the Public Utility Commission of Ohio?
(If required to file)

6. Include a copy of RUS Form 4 or RUS Form 7 and a post closing Trial Balance?
(Rural Electric's, Telephones, and Non-Profit organizations)

Mail one copy of the Annual Report, County and Taxing District Recap and copies of all required Annual Reports and Supplemental Schedules to:

Regular Delivery:
Ohio Department of Taxation
Public Utility Tax Division
P.O. Box 530
Columbus, Ohio 43216-0530

Certified Mail Use:
Ohio Department of Taxation
Public Utility Tax Division
30 East Broad Street
Columbus, Ohio 43215

The Public Utility Tax Section is located on the 21st floor of the State Office Tower at 30 E. Broad Street, Columbus, Ohio.

Telephone (614) 466-7371

Fax (614) 752-2496

1998 COUNTY AND TAXING DISTRICT RECAP

PAGE

NAME: FAIRLANE WATER COMPANY INC

FEIN: 34-1109595 COUNTY NAME & NO: PORTAGE 67

TAXING DISTRICT NAME (A)	TAX DIST NUMBER (B)	APPORTIONMENT BASE 1 (C)	APPORTIONMENT BASE 2 (D)	APPORTIONMEN BASE 3 (E)
SUFFIELD TWP-FIELD LSD	0350	40,623	00	0
		50,488 99		
COUNTY TOTAL		40,623	00	0
TOTAL FOR ALL COUNTIES		40,623	00	0

ANNUAL MEETING OF THE
BOARD OF DIRECTORS
THE FAIRLANE WATER CO., INC.

The undersigned, being all of the Directors of THE FAIRLANE WATER CO., INC. hereby waive notice of the annual meeting of the Directors and consent that such meeting be held at the principal office and place of business of the Corporation on 2/19/97, the purpose of said meeting being the receipt of reports of Directors and Officers, the election of Officers and the transaction of any other business which may come before the meeting.

Richard A. Schultz Delores Schultz

MINUTES

The 1997 annual meeting of the Directors of the above Corporation for the year ending December 31, 1996 was held at the principal office and place of business of the Corporation on 2/19/97, pursuant to the foregoing waiver of notice.

The following attended, being all of the Directors:

Richard A Schultz
Delores M Schultz

Others present at this meeting were: None.

The President of the Corporation acted as Chairman and the Secretary acted as Recording Secreatry of the meeting. The Chairman announced that the meeting was duly convened and that the meeting was ready to transact such business as may lawfully come before it.

The Chairman then called for nominations for Officers of the Corporation for the ensuing year and the following nominations were made:

PRESIDENT - Richard A Schultz
VICE PRESIDENT - Dolores M Schultz
SECRETARY - Dolores M Schultz
TREASURER - Richard E Hinman

There being no other nominees, the Secretary was instructed to cast a unanimous ballot for the foregoing to act as Officers of the Corporation, to serve for one year or until successors are elected or appointed. The newly elected President thereupon took the Chair.

There was presented the financial report of the Corporation as tentatively prepared by the accountant for the Corporation, and upon motion, duly made, seconded and carried, the report was accepted and approved.

The Chairman then placed before the meeting Officers' reports, Board of Directors minutes and other memoranda of corporate transactions since the last annual meeting of the Directors. Upon motion duly made, seconded and carried, it was unanimoulsy:

> RESOLVED, that all actions of the Officers and Board of Directors and any corporate transaction since the last annual meeting of the Directors are hereby approved and ratified.

There being no further business, on motion, duly made, seconded, and carried, the meeting was adjourned.

Richard A. Schultz
Chairman

Dolores Schultz
Recording Secreatry

Ohio

DEPARTMENT OF
TAXATION

June 15, 1998

Richard E. Hinman, Treasurer
Fairlane Water Company, Inc.
70 N. Miller Road
Fairlawn, OH 44333

Dear Mr. Hinman:

We have concluded the audit of your 1998 Annual Report. The proposed taxable value is set forth on the attached Valuation Notice. Please review this and if you have any questions or desire a conference, contact me by June 29, 1998 at (614) 466-8502. The actual assessments will be certified to you and the applicable County Auditor(s) on or before the first Monday of October.

Sincerely,

Clay Gloeckner
Tax Agent
Public Utility Tax Division

Attachment

P.O. Box 530
Columbus, Ohio 43266-0030

VALUATION NOTICE

Name: Fairlane Water Company, Inc.

Class: Water Works

Tax Year: 1998

Taxable Property	True Value	1997
Supply Plant (Schedule F1)		
Pumping Plant (Schedule F2)	14,224	17446
Water Treatment Plant (Schedule F3)		
Transmission & Distribution Plant (Schedule F4)	11,218	10272
General Plant (Schedule F5)	1,370	1197
From Schedule B:		
From Schedule E:		
Total True Value	26,812	28917
Assessment Percentage	88%	88%
Total Taxable Value	23,590	25447
Proposed Taxable Value	23,590	25,447