

CLASS "B"

WATER and/or SEWER UTILITIES

(Gross Revenue of \$150,000 or More but Less Than \$750,000 Each)

ANNUAL REPORT

OF

Hudson Utilities, Inc.

104-S

Certificate Number(s)



FOR THE

YEAR ENDED DECEMBER 31, 1998

Form PSC/WAS 5 (Rev. 12/22/86)

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WATER AND SEWER
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Florida Public Service Commission
Division of Water and Wastewater

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Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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ERIC M. DOAN, C.P.A.
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ELIZABETH A. MAY, C.P.A.
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April 16, 1999

Officers and Directors
Hudson Utilities, Inc.

We have compiled the 1998 Annual Report of Hudson Utilities, Inc. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Hudson Utilities, Inc. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

Cronin, Jackson, Nixon & Wilson

CRONIN, JACKSON, NIXON & WILSON

EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
December 31, 1998

UTILITY NAME: Hudson Utilities, Inc.

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | |
|------------|-----------|--|
| YES (X) | NO () | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES (X) | NO () | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES (X) | NO () | 3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility. |
| YES (X) | NO () | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

1. 2. 3. 4.
(X) (X) (X) (X)



(signature of the chief executive officer of the utility)

1. 2. 3. 4.
() () () ()

N/A

(signature of the chief financial officer of the utility)

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

Hudson Utilities, Inc.

County: Pasco

(Exact Name of Utility)

List below the exact mailing address of the utility for which normal correspondence should be sent:

14334 Old Dixie Hwy.
Hudson, Florida 34667

Telephone: (727) 863-0205

Name and address of person to whom correspondence concerning this report should be addressed:

Robert C. Nixon
Cronin, Jackson, Nixon & Wilson, CPA
2560 Gulf-to-Bay Blvd., Ste. 200
Clearwater, Florida 34620

Telephone: (727) 791-4020

List below the address of where the utility's books and records are located:

14334 Old Dixie Hwy.
Hudson, Florida 34667

Telephone: (727) 863-0205

List below any groups auditing or reviewing the records and operations:

Cronin, Jackson, Nixon, and Wilson, CPA's

Date of original organization of the utility:

3 / 20 / 69

Check the appropriate business entity of the utility as filed with the Internal Revenue Service:

Individual Partnership Sub S Corporation 1120 Corporation

List below every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the utility:

| | Name | Percent Ownership | |
|-----|-----------------|----------------------|---|
| 1. | Robert Bammann | 44 | % |
| 2. | Charles Griffin | 44 | % |
| 3. | | | % |
| 4. | | | % |
| 5. | | | % |
| 6. | | | % |
| 7. | | | % |
| 8. | | | % |
| 9. | | | % |
| 10. | | | % |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

| NAME OF COMPANY REPRESENTATIVE (1)(2) | TITLE OR POSITION | ORGANIZATIONAL UNIT TITLE (3) | USUAL PURPOSE FOR CONTACT WITH FPSC |
|---------------------------------------|----------------------------|--|-------------------------------------|
| Robert Bammann | President | Hudson Utilities, Inc. | All company matters |
| Charles Griffin | Vice-President | Hudson Utilities, Inc. | Engineering matters |
| Mathew Griffin | V.P. / Secretary Treasurer | Hudson Utilities, Inc. | Operational & customer matters |
| Ken Hoffman | Attorney | Rutledge, Ecenia, et. al. | Legal matters |
| Robert C. Nixon | CPA | Cronin, Jackson, Nixon & Wilson, CPA's, P.A. | Rate and accounting matters |
| Charles E. Griffin | Engineer | Charles E. Griffin Inc. | Engineering matters |

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
- (2) Provide individual telephone numbers if the person is not normally reached at the company.
- (3) Name of company employed by if not on general payroll.

UTILITY NAME: Hudson Utilities, Inc.

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.**
- B. Public services rendered.**
- C. Major goals and objectives.**
- D. Major operating divisions and functions.**
- E. Current and projected growth patterns.**
- F. Major transactions having a material effect on operations.**

- (A) Hudson Bay Company, (dba Hudson Utilities, Inc.), a Florida corporation, was incorporated in 1975. The company is a class B regulated public utility providing sewer transmission lines within a designated service area in Hudson, Florida. The company was purchased in September 1987 by Robert Bamman. During 1998, the Company was granted a name change to Hudson Utilities, Inc.
- (B) Sewage collection only. Treatment is purchased from Pasco County.
- (C) To provide central sewage collection service throughout the utility's service area and a fair rate of return to the company's stockholders.
- (D) Sewer collection service only.
- (E) The Company expects to add approximately 500 new connections annually and with additional financing complete the expansion of the collection system within the certificated area.
- (F) The Company significantly expanded the collection system within the certificated area during 1998.

YEAR OF REPORT
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UTILITY NAME: Hudson Utilities, Inc.

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/98

Complete below an organizational chart that shows all parents and subsidiaries of the utility. The chart must also show the relationship between the utility and the affiliates listed on E-7, E-10(a) and E-10(b).

Hudson Utilities, Inc. is neither a subsidiary nor a parent of another corporation

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

| NAME (a) | TITLE (b) | % OF TIME SPENT AS OFFICER OF UTILITY (c) | OFFICERS COMPENSATION (d) |
|-----------------|--|---|---------------------------------|
| Robert Bammann | President | 55 % | \$ 29,700 |
| Charles Griffin | Vice-President | 35 % | \$ 12,480 |
| Mathew Griffin | Vice-President Secretary/ Treasurer | 100 % | \$ 35,120 |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

| NAME (a) | TITLE (b) | NUMBER OF DIRECTORS MEETINGS ATTENDED (c) | DIRECTORS COMPENSATION (d) |
|-----------------|--|---|----------------------------------|
| Robert Bammann | President | 2 | \$ None |
| Charles Griffin | Vice-President | 2 | \$ None |
| Mathew Griffin | Vice-President Secretary/ Treasurer | 2 | \$ None |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

UTILITY NAME: Hudson Utilities, Inc.

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

List all contracts, agreements, or other business arrangements* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

| NAME OF OFFICER, DIRECTOR OR AFFILIATE (a) | IDENTIFICATION OF SERVICE OR PRODUCT (b) | AMOUNT (c) | NAME AND ADDRESS OF AFFILIATED ENTITY (d) |
|---|---|---------------|--|
| Robert Bammann | Bldg., Rents | \$ 9,472 | N/A |

* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Hudson Utilities, Inc.

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business affiliation and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

| NAME (a) | PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b) | AFFILIATION OR CONNECTION (c) | NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d) |
|-----------------|--|--|--|
| Robert Bammann | Construction | Shareholder | Marelli Construction Hudson, Florida |
| Charles Griffin | Engineering | Shareholder | Charles E. Griffin, Inc. |

UTILITY NAME: Hudson Utilities, Inc.

| |
|--|
| YEAR OF REPORT December 31, 1998 |
|--|

BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR SEWER SERVICE

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water and/or sewer service. This would include any business which requires the use of utility land and facilities. Examples of these types of businesses would be orange groves, nurseries, tree farms, fertilizer manufacturing, etc. This would not include any business for which the assets are properly included in Account 121 - Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

| BUSINESS OR SERVICE CONDUCTED (a) | ASSETS | | REVENUES | | EXPENSES | |
|--------------------------------------|----------------------------|------------------|---------------------------|------------------|--------------------------|------------------|
| | BOOK COST OF ASSETS (b) | ACCT. NO. (c) | REVENUES GENERATED (d) | ACCT. NO. (e) | EXPENSES INCURRED (f) | ACCT. NO. (g) |
| None | \$ | | \$ | | \$ | |

UTILITY NAME: Hudson Utilities, Inc.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on pages E-2 and E-6 identifying the parties, amounts, dates and product, asset, or service involved.

Part I. Specific Instructions: Services and Products Received or Provided

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
 - management, legal and accounting services
 - material and supplies furnished
 - computer services
 - leasing of structures, land and equipment
 - engineering & construction services
 - rental transactions
 - repairing and servicing of equipment
 - sale, purchase or transfer of various products

| NAME OF COMPANY OR RELATED PARTY (a) | DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b) | CONTRACT OR AGREEMENT EFFECTIVE DATES (c) | ANNUAL CHARGES | |
|---|---|--|------------------------------|---------------|
| | | | (P)urchased or (S)old (d) | AMOUNT (e) |
| N/A | | | | |

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.
2. Below are examples of some types of transactions to include:
 - purchase, sale or transfer of equipment.
 - purchase, sale or transfer of land and structures.
 - purchase, sale or transfer of securities.
 - noncash transfers of assets.
 - noncash dividends other than stock dividends.
 - writeoff of bad debts or loans.

3. The columnar instructions follow:
 - (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item (column (c) - column (d)).
 - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

| NAME OF COMPANY OR RELATED PARTY (a) | DESCRIPTION OF ITEMS (b) | SALE OR PURCHASE PRICE (c) | NET BOOK VALUE (d) | GAIN OR LOSS (e) | FAIR MARKET VALUE (f) |
|--|---|-------------------------------------|-----------------------------|---------------------------|--------------------------------|
| Robert Bamman / Marelli Construction | Construction of collection system at cost | \$ 1,593,381 | | | \$ 1,593,381 |
| Charles E. Griffin | Engineering consulting for collection system construction | 112,529 | | | 112,529 |
| Robert Bamman | Repair work for existing collection system | 5,151 | | | 5,151 |

UTILITY NAME: Hudson Utilities, Inc.

**COMPOSITE STATISTICS FOR ALL
PRIVATELY OWNED WATER AND SEWER UTILITIES UNDER AGENCY JURISDICTION**

| DESCRIPTION (a) | WATER (b) | SEWER (c) |
|---|--------------|--------------|
| PLANT (Intrastate Only)(000's Omitted): | | |
| Plant in Service _____ | \$ N/A | \$ 6,099 |
| Construction Work In Progress _____ | | 501 |
| Plant Acquisition Adjustment (Net) _____ | | 23 |
| Plant Held For Future Use _____ | | |
| Materials and Supplies _____ | | |
| Less: | | |
| Accumulated Depreciation and Accumulated Amortization _____ | | 893 |
| Contributions In Aid Of Construction (Net) _____ | | 1,701 |
| Net Book Cost _____ | \$ | \$ 4,029 |
| REVENUES AND EXPENSES (Intrastate Only)(000's Omitted): | | |
| Operating Revenues _____ | \$ | \$ 948 |
| Depreciation and Amortization Expense _____ | \$ | \$ 115 |
| Income Tax Expense _____ | | |
| Taxes Other Than Income _____ | | 136 |
| Other Operating Expenses _____ | | 606 |
| Total Operating Expenses _____ | \$ | \$ 857 |
| Net Operating Income _____ | \$ | \$ 91 |
| Other Income _____ | \$ | \$ 20 |
| Other Income Deductions _____ | | 276 |
| Net Income _____ | \$ | \$ (165) |
| CUSTOMERS (Intrastate Only): | | |
| Residential - Yearly Average _____ | | 1,468 |
| Commercial - Yearly Average _____ | | 87 |
| Industrial - Yearly Average _____ | | |
| Others - Yearly Average _____ | | |
| Total _____ | | 1,555 |
| OTHER STATISTICS (Intrastate Only): | | |
| Average Annual Residential Use Per 1,000 Gallons (1) _____ | | 57.31 |
| Average Annual Residential Cost Per 1,000 Gallons (1) _____ | \$ | \$ 9.62 |
| Average Residential Monthly Bill _____ | \$ | \$ 32.15 |
| Gross Plant Investment Per Customer _____ | \$ | \$ 3,922 |

Note (1): Averages for all customers, information not available for residential only customers.

FINANCIAL

SECTION

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
December 31, 1998

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | CURRENT YEAR (d) | PREVIOUS YEAR (e) |
|---------------------------------------|--|---------------|------------------|-------------------|
| UTILITY PLANT | | | | |
| 101-105 | Utility Plant | F-5 | \$ 6,599,860 | \$ 4,941,212 |
| 108-110 | Less: Accumulated Depreciation and Amortization | F-6 | (893,001) | (717,428) |
| | Net Plant | | 5,706,859 | 4,223,784 |
| 114-115 | Utility Plant Acquisition Adjustments (Net) | F-5 | 23,456 | 24,728 |
| | Other Plant Adjustments (specify) | | | |
| | Total Net Utility Plant | | 5,730,315 | 4,248,512 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| 121 | Nonutility Property | F-7 | 256 | 256 |
| 122 | Less: Accumulated Depreciation and Amortization | | | |
| | Net Nonutility Property | | 256 | 256 |
| 123 | Investment in Associated Companies | F-8 | | |
| 124 | Utility Investments | F-8 | | |
| 125 | Other Investments | F-8 | | |
| 127 | Special Funds | F-8 | 446 | 16,057 |
| | Total Other Property and Investments | | 702 | 16,313 |
| CURRENT AND ACCRUED ASSETS | | | | |
| 131 | Cash | | 19,367 | 4,817 |
| 132 | Special Deposits | F-7 | | 19,440 |
| 134 | Working Funds | | | |
| 135 | Temporary Cash Investments | | | |
| 141-144 | Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts | F-9 | 218,615 | 161,452 |
| 145 | Accounts Receivable from Associated Companies | F-10 | 22,300 | 22,300 |
| 146 | Notes Receivable from Associated Companies | F-10 | | |
| 151 | Materials and Supplies | | | |
| 162 | Prepayments | F-11 | | 2,692 |
| 171 | Accrued Interest and Dividends Receivable | | | |
| 174 | Misc. Current and Accrued Assets | | | |
| | Total Current and Accrued Assets | | 260,282 | 210,701 |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
December 31, 1998

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | CURRENT YEAR (d) | PREVIOUS YEAR (e) |
|---------------|--|---------------|---------------------|---------------------|
| | DEFERRED DEBITS | | | |
| 181 | Unamortized Debt Discount & Expense _____ | F-12 | 150,209 | 194,301 |
| 182 | Extraordinary Property Losses _____ | F-12 | | |
| 186 | Misc. Deferred Debits _____ | F-11 | | |
| 190 | Accumulated Deferred Income Taxes _____ | | 795,998 | 607,455 |
| | Total Deferred Debits _____ | | 946,207 | 801,756 |
| | TOTAL ASSETS AND OTHER DEBITS _____ | | \$ 6,937,506 | \$ 5,277,282 |

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
December 31, 1998

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | CURRENT YEAR (d) | PREVIOUS YEAR (e) |
|--|---|---------------|------------------|-------------------|
| EQUITY CAPITAL | | | | |
| 201 | Common Stock Issued _____ | F-14 | 181 | \$ 181 |
| 204 | Preferred Stock Issued _____ | F-14 | | |
| 211 | Other Paid-in Capital _____ | | 604,029 | 604,029 |
| 212 | Discount on Capital Stock _____ | | | |
| 213 | Capital Stock Expense _____ | | | |
| 214-215 | Retained Earnings (Deficit) _____ | F-15 | (871,982) | (707,291) |
| 216 | Reacquired Capital Stock _____ | | (2,400) | (2,400) |
| 218 | Proprietary Capital (Proprietorship and Partnership Only) _____ | | | |
| | Total Equity Capital (Deficit) _____ | | (270,172) | (105,481) |
| LONG TERM DEBT | | | | |
| 221 | Bonds _____ | F-16 | | |
| 223 | Advances from Associated Companies _____ | F-16 | | |
| 224 | Other Long Term Debt _____ | F-14 | | |
| | Total Long Term Debt _____ | | | |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| 231 | Accounts Payable _____ | | 103,399 | 88,991 |
| 232 | Notes Payable _____ | F-13 | 4,777,707 | 3,178,757 |
| 233 | Accounts Payable to Associated Co. _____ | F-13 | 28,360 | 220,075 |
| 234 | Notes Payable to Associated Co. _____ | F-13 | | |
| 235 | Customer Deposits _____ | | 180 | |
| 236 | Accrued Taxes _____ | F-17 | 43,906 | 35,724 |
| 237 | Accrued Interest _____ | F-18 | 41,668 | 28,313 |
| 238 | Accrued Dividends _____ | | | |
| 239 | Matured Long Term Debt _____ | | | |
| 240 | Matured Interest _____ | | | |
| 241 | Miscellaneous Current and Accrued Liabilities _____ | F-19 | | |
| | Total Current and Accrued Liabilities _____ | | 4,995,220 | 3,551,360 |

UTILITY NAME: Hudson Utilities, Inc.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | CURRENT YEAR (d) | PREVIOUS YEAR (e) |
|---|--|---------------|---------------------|---------------------|
| DEFERRED CREDITS | | | | |
| 251 | Unamortized Premium on Debt _____ | F-12 | | \$ |
| 252 | Advances for Construction _____ | F-19 | 57,668 | 57,668 |
| 253 | Other Deferred Credits (Contributed Taxes) _____ | | 259,516 | 309,509 |
| 255 | Accumulated Deferred Investment Tax Credits _____ | | | |
| | Total Deferred Credits _____ | | 317,184 | 367,177 |
| OPERATING RESERVES | | | | |
| 261 | Property Insurance Reserve _____ | | | |
| 262 | Injuries and Damages Reserve _____ | | | |
| 263 | Pensions and Benefits Reserve _____ | | | |
| 265 | Miscellaneous Operating Reserves _____ | | | |
| | Total Operating Reserves _____ | | | |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | | | |
| 271 | Contributions in Aid of Construction _____ | F-20 | 2,107,921 | 1,638,934 |
| 272 | Accumulated Amortization of Contributions in Aid of Construction _____ | F-21 | (407,106) | (346,969) |
| | Total Net C.I.A.C. _____ | | 1,700,815 | 1,291,965 |
| ACCUMULATED DEFERRED INCOME TAXES | | | | |
| 281 | Accumulated Deferred Income Taxes - Accelerated Depreciation _____ | | 194,459 | 171,761 |
| 282 | Accumulated Deferred Income Taxes - Liberalized Depreciation _____ | | | |
| 283 | Accumulated Deferred Income Taxes - Other _____ | | | |
| | Total Accum. Deferred Income Taxes _____ | | 194,459 | 171,761 |
| | TOTAL EQUITY CAPITAL AND LIABILITIES _____ | | \$ 6,937,506 | \$ 5,277,282 |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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COMPARATIVE OPERATING INCOME

| ACCT. NO. (a) | ACCOUNT NAME (b) | PREVIOUS YEAR (c) | REF. PAGE (d) | CURRENT YEAR (e) |
|---------------|--|-------------------|---------------|------------------|
| | UTILITY OPERATING INCOME | | | |
| 400 | Operating Revenues _____ | \$ 793,845 | F-3(b) | \$ 948,129 |
| 401 | Operating Expenses _____ | 534,931 | F-3(b) | 606,398 |
| 403 | Depreciation Expense _____ | 80,580 | F-6/F-21 | 115,436 |
| 406 | Amortization of Utility Plant Acquisition Adjustment _____ | | | |
| 407 | Amortization Expense _____ | | | |
| 408.1 | Taxes Other Than Income _____ | 107,486 | F-17 | 135,453 |
| 409.1 | Income Taxes _____ | | F-17 | |
| 410.10 | Deferred Federal Income Taxes _____ | | | |
| 411.10 | Provision for Deferred Income Taxes - Credit _____ | | | |
| 412.10 | Investment Tax Credits Deferred to Future Periods _____ | | | |
| 412.11 | Investment Tax Credits Restored to Operating Income _____ | | | |
| | Utility Operating Expenses _____ | 722,997 | | 857,287 |
| | Utility Operating Income _____ | 70,848 | | 90,842 |
| 413 | Income From Utility Plant Leased To Others _____ | | | |
| 414 | Gains (Losses) From Disposition of Utility Property _____ | | | |
| | Total Utility Operating Income [Enter here and on Page F-3(c)] _____ | 70,848 | | 90,842 |

COMPARATIVE OPERATING INCOME

| REF. PAGE (f) | WATER (g) | REF. PAGE (h) | SEWER (c) | OTHER (e) |
|---------------------|--------------|---------------------|--------------------|--------------|
| W-3 | \$ N/A | S-3 | \$ 948,129 | \$ N/A |
| W-2 F-6/F-21 | | S-2 F-6/F-21 | 606,398 115,436 | |
| F-6 F-17 F-17 | | F-6 F-17 F-17 | 135,453 | |
| | | | 857,287 | |
| | N/A | | 90,842 | |
| | \$ N/A | | \$ 90,842 | \$ N/A |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
December 31, 1998

COMPARATIVE OPERATING INCOME (Cont'd)

| ACCT. NO. (a) | ACCOUNT NAME (b) | PREVIOUS YEAR (c) | REF. PAGE (d) | CURRENT YEAR (e) |
|---------------|--|-------------------|---------------|------------------|
| | Total Utility Operating Income [From Page F-3(a)] | 70,848 | | 90,842 |
| | OTHER INCOME AND DEDUCTIONS | | | |
| 415 | Revenues From Merchandising, Jobbing and Contract Deductions | | | |
| 416 | Costs and Expenses of Merchandising, Jobbing and Contract Work | | | |
| 419 | Interest and Dividend Income | 2,977 | | 2,486 |
| 420 | Allowance for Funds Used During Construction | | | |
| 421 | Nonutility Income | 376 | | 22,077 |
| 426 | Miscellaneous Nonutility Expenses | (27,925) | | (3,964) |
| | Total Other Income and Deductions | (24,572) | | 20,599 |
| | TAXES APPLICABLE TO OTHER INCOME | | | |
| 408.20 | Taxes Other Than Income | | F-17 | |
| 409.20 | Income Taxes | | F-17 | |
| 410.20 | Provision for Deferred Income Taxes | | | |
| 411.20 | Provision for Deferred Income Taxes - Credit | (88,062) | | (165,845) |
| 412.20 | Investment Tax Credits - Net | | | |
| 412.30 | Investment Tax Credits Restored to Operating Income | | | |
| | Total Taxes Applicable to Other Income | (88,062) | | (165,845) |
| | INTEREST EXPENSE | | | |
| 427 | Interest Expense | 231,988 | F-18 | 397,885 |
| 428 | Amortization of Debt Discount & Expense | 29,888 | F-12 | 44,092 |
| 429 | Amortization of Premium on Debt | | F-12 | |
| | Total Interest Expense | 261,876 | | 441,977 |
| | EXTRAORDINARY ITEMS | | | |
| 433 | Extraordinary Income | | | |
| 434 | Extraordinary Deductions | | | |
| 409.30 | Income Taxes, Extraordinary Items | | | |
| | Total Extraordinary Items | | | |
| | NET INCOME | \$ (127,538) | | \$ (164,691) |

UTILITY NAME: Hudson Utilities, Inc.

SCHEDULE OF YEAR END RATE BASE

| ACCT. NO. (a) | ACCOUNT NAME (b) | REF. PAGE (c) | WATER UTILITY (d) | SEWER UTILITY (e) |
|---------------|--|---------------|-------------------|-------------------|
| 101 | Utility Plant In Service _____ | F-5 | \$ N/A | \$ 6,099,112 |
| | Less: | | | |
| | Nonused and Useful Plant (1) _____ | | | |
| 108.1 | Accumulated Depreciation _____ | F-6 | | 893,001 |
| 110.1 | Accumulated Amortization _____ | F-6 | | |
| 271 | Contributions in Aid of Construction _____ | F-20 | | 2,107,921 |
| 252 | Advances for Construction _____ | F-19 | | |
| | Subtotal _____ | | | 3,098,190 |
| | Additions: | | | |
| 272 | Accumulated Amortization of Contributions in Aid of Construction _____ | F-21 | | 407,106 |
| | Subtotal _____ | | | 3,505,296 |
| | Plus or Minus: | | | |
| 114 | Acquisition Adjustments (2) _____ | F-5 | | |
| 115 | Accumulated Amortization of Acquisition Adjustments (2) _____ | F-5 | | |
| | Working Capital Allowance (3) _____ | | | 75,800 |
| | Other (Specify): | | | |
| | CIAC Tax - invested portion _____ | | | 132,483 |
| | _____ | | | |
| | _____ | | | |
| | RATE BASE _____ | | \$ _____ | \$ 3,713,579 |
| | UTILITY OPERATING INCOME _____ | | \$ _____ | \$ 90,842 |
| | ACHIEVED RATE OF RETURN _____ | | __ % | 2.45 % |

NOTES:

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculated using the 1/8th of O & M method.

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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UTILITY PLANT (ACCTS. 101 - 106)

| ACCT. NO. (a) | DESCRIPTION (b) | WATER (c) | SEWER (d) | OTHER THAN REPORTING SYSTEMS (e) | TOTAL (f) |
|---------------|---------------------------------|-----------|--------------|----------------------------------|--------------|
| | Plant Accounts | | | | |
| 101 | Utility Plant In Service | \$ N/A | \$ 6,099,112 | \$ N/A | \$ 6,099,112 |
| 102 | Utility Plant Leased to Others | | | | |
| 103 | Property Held for Future Use | | | | |
| 104 | Utility Plant Purchased or Sold | | | | |
| 105 | Construction Work in Progress | | 500,748 | | 500,748 |
| | Total Utility Plant | \$ N/A | \$ 6,599,860 | \$ N/A | \$ 6,599,860 |

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

| DESCRIPTION (a) | WATER (b) | SEWER (c) | OTHER THAN REPORTING SYSTEMS (d) | TOTAL (e) |
|---------------------------------|-----------|-----------|----------------------------------|-----------|
| ACQUISITION ADJUSTMENTS (114): | | | | |
| | \$ N/A | \$ 50,730 | \$ N/A | \$ 50,730 |
| | | | | |
| | | | | |
| Total Plant Acquisition Adjs. | | 50,730 | | 50,730 |
| ACCUMULATED AMORTIZATION (115): | | | | |
| | | (27,274) | | (27,274) |
| | | | | |
| | | | | |
| Total Accumulated Amortization | | (27,274) | | (27,274) |
| Net Acquisition Adjustments | \$ N/A | \$ 23,456 | \$ N/A | \$ 23,456 |

UTILITY NAME: Hudson Utilities, Inc.

ACCUMULATED DEPRECIATION (ACCT. 108)

| DESCRIPTION (a) | WATER (b) | SEWER (c) | OTHER THAN REPORTING SYSTEMS (d) | TOTAL (e) |
|--|--------------|--------------|---|--------------|
| Balance first of year | \$ N/A | \$ 717,428 | \$ N/A | \$ 717,428 |
| Credits during year: | | | | |
| Accruals charged: | | | | |
| to Account 108 | | 175,573 | | 175,573 |
| Accruals charged other accounts (specify) | | | | |
| Salvage | | | | |
| Other Credits (specify) | | | | |
| Total credits | | 175,573 | | 175,573 |
| Debits during year: | | | | |
| Book cost of plant retired | | | | |
| Cost of removal | | | | |
| Other debits (specify) | | | | |
| Total debits | | | | |
| Balance end of year | \$ N/A | \$ 893,001 | \$ N/A | \$ 893,001 |

ACCUMULATED AMORTIZATION (ACCT. 110)

| DESCRIPTION (a) | WATER (b) | SEWER (c) | OTHER THAN REPORTING SYSTEMS (d) | TOTAL (e) |
|--|--------------|--------------|---|--------------|
| Balance first of year | \$ N/A | \$ | \$ | \$ |
| Credits during year: | | | | |
| Accruals charged: | | | | |
| to Account 110 | | | | |
| Accruals charged other accounts (specify) | | | | |
| Total credits | | | | |
| Debits during year: | | | | |
| Book cost of plant retired | | | | |
| Other debits (specify) | | | | |
| Total debits | | | | |
| Balance end of year | \$ | \$ | \$ | \$ |

UTILITY NAME: Hudson Utilities, Inc.

NONUTILITY PROPERTY (ACCT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121. Other items may be grouped by classes of property.

| DESCRIPTION (a) | BEGINNING YEAR BALANCE (b) | ADDITIONS (c) | REDUCTIONS (d) | ENDING YEAR BALANCE (e) |
|--|-------------------------------------|------------------|-------------------|----------------------------------|
| Office Equipment - Misc. | \$ 256 | \$ | \$ | \$ 256 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Nonutility Property ----- | \$ 256 | \$ | \$ | \$ 256 |

SPECIAL DEPOSITS (ACCTS. 132 - 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

| DESCRIPTION OF SPECIAL DEPOSITS (a) | YEAR END BOOK COST (b) |
|--|------------------------------|
| SPECIAL DEPOSITS (ACCT. 132): N/A | \$ |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total Special Deposits ----- | \$ |

UTILITY NAME: Hudson Utilities, Inc.

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INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123 - 127)

Report hereunder all investments and special funds carried in Accounts 123 thru 127.

| DESCRIPTION OF SECURITY OR SPECIAL FUND (a) | FACE OR PAR VALUE (b) | YEAR END BOOK COST (c) |
|--|---|---|
| INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Investment In Associated Companies _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ |
| UTILITY INVESTMENTS (ACCT. 124): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Utility Investments _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ |
| OTHER INVESTMENTS (ACCT. 125): N/A <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Other Investments _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ |
| SPECIAL FUNDS (ACCTS. 126 & 127) Repairs & Replacement Annual Holding Account <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> Total Special Funds _____ | | \$ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ \$ 90 356 _____ _____ _____ _____ \$ 446 |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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ACCOUNTS AND NOTES RECEIVABLE - NET (ACCTS. 141 - 144)

| Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually. | |
|---|--------------|
| DESCRIPTION (a) | TOTAL (b) |
| ACCOUNTS RECEIVABLE: | |
| Customer Accounts Receivable (Acct. 141): | |
| Water _____ | \$ _____ |
| Sewer _____ | 95,756 |
| Other _____ | _____ |
| Total Customer Accounts Receivable _____ | 95,756 |
| OTHER ACCOUNTS RECEIVABLE (Acct. 142): | |
| _____ | \$ _____ |
| _____ | _____ |
| Total Other Accounts Receivable _____ | _____ |
| NOTES RECEIVABLE (Acct. 144): | |
| Notes receivable from customers for CIAC _____ | \$ 127,859 |
| _____ | _____ |
| Total Notes Receivable _____ | 127,859 |
| Total Accounts and Notes Receivable _____ | 223,615 |
| ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Acct. 143): | |
| Balance First of Year _____ | \$ 5,000 |
| Add: Provision for uncollectables for current year _____ | _____ |
| Collections of accounts previously written off _____ | _____ |
| Utility accounts _____ | _____ |
| Others _____ | _____ |
| Total Additions _____ | _____ |
| Deduct accounts written off during year: | |
| Utility accounts _____ | _____ |
| Others _____ | _____ |
| Total accounts written off _____ | _____ |
| Balance end of year _____ | 5,000 |
| Total Accounts and Notes Receivable - Net _____ | \$ 218,615 |

UTILITY NAME: Hudson Utilities, Inc.

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.

| DESCRIPTION (a) | TOTAL (b) |
|---|--------------|
| Receivable from shareholder - B. Bamman | \$ 22,300 |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total _____ | \$ 22,300 |

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.

| DESCRIPTION (a) | INTEREST RATE (b) | TOTAL (c) |
|--------------------|----------------------|--------------|
| N/A | | \$ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Total _____ | | \$ |

UTILITY NAME: Hudson Utilities, Inc.

| |
|--|
| YEAR OF REPORT December 31, 1998 |
|--|

PREPAYMENTS (ACCT. 162)

| DESCRIPTION (a) | TOTAL (b) |
|---------------------------------------|--------------|
| Prepaid Insurance _____ N/A _____ | \$ _____ |
| Prepaid Rents _____ | _____ |
| Prepaid Interest _____ | _____ |
| Prepaid Taxes _____ | _____ |
| Other Prepayments (Specify): _____ | _____ |
| _____ | _____ |
| Total Prepayments _____ | \$ _____ |

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186):

| DESCRIPTION (a) | TOTAL (b) |
|--|--------------|
| MISCELLANEOUS DEFERRED DEBITS (Acct. 186): | |
| Deferred Rate Case Expense (Acct. 186.1) _____ | \$ _____ |
| Other Deferred Debits (Acct 186.2) _____ | _____ |
| _____ | _____ |
| Total Miscellaneous Deferred Debits _____ | \$ NONE |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT (ACCTS. 181 AND 251)

| Report the net discount and expense or premium separately for each security issue. | | |
|--|---|----------------------------|
| DESCRIPTION (a) | AMOUNT WRITTEN OFF DURING YEAR (b) | YEAR END BALANCE (c) |
| UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Acct. 181): | | |
| Notes Payable - WRH Mortgage, Republic Bank & United Bank | \$ 44,092 | \$ 150,209 |
| | | |
| | | |
| | | |
| Total Unamortized Debt Discount and Expense ----- | \$ 44,092 | \$ 150,209 |
| UNAMORTIZED PREMIUM ON DEBT (Acct. 251): | | |
| N/A | \$ | \$ |
| | | |
| | | |
| | | |
| Total Unamortized Premium on Debt ----- | \$ | \$ |

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

| Report each item separately. | |
|---|--------------|
| DESCRIPTION (a) | TOTAL (b) |
| EXTRAORDINARY PROPERTY LOSSES (Acct. 182): | |
| N/A | \$ |
| | |
| | |
| | |
| Total Extraordinary Property Losses ----- | \$ |

UTILITY NAME: Hudson Utilities, Inc.

NOTES PAYABLE (ACCTS. 232 AND 234)

| DESCRIPTION (a) | NOMINAL DATE OF ISSUE (b) | DATE OF MATURITY (c) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (f) |
|---|------------------------------------|-------------------------------|-------------|--------------------------------|---|
| | | | RATE (d) | FREQUENCY OF PAYMENT (e) | |
| ACCOUNT 232 - NOTES PAYABLE: | | | | | |
| WRH MORTGAGE, INC. | 05/07/97 | 04/30/02 | 13.50 % | Monthly | \$ 600,000 |
| REPUBLIC/UNITED BANKS | 05/07/97 | 04/30/02 | 10.75 % | Monthly | 4,126,923 |
| SUN TRUST BANK | 07/07/97 | 05/16/97 | 8.50 % | Monthly | 8,288 |
| C. McMeans | 10/23/96 | Demand | 8.00 % | Monthly | 27,819 |
| Huntington Bank | 02/23/98 | 02/23/03 | 8.75 % | Monthly | 14,677 |
| Total Account 232 | | | | | \$ 4,777,707 |
| ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANIES: | | | | | |
| N/A | | | % | | \$ |
| | | | % | | |
| | | | % | | |
| | | | % | | |
| | | | % | | |
| Total Account 234 | | | | | \$ NONE |

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

| Report each account payable separately. | |
|--|--------------|
| DESCRIPTION (a) | TOTAL (b) |
| Griffin Engineering - Utility engineering services | \$ 28,360 |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | \$ 28,360 |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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CAPITAL STOCK (ACCTS. 201 and 204)

| DESCRIPTION (a) | COMMON STOCK (b) | PREFERRED STOCK (c) |
|---|------------------------|---------------------------|
| Par or stated value per share _____ | \$ 1.00 | \$ N/A |
| Shares authorized _____ | 200 | |
| Shares issued and outstanding _____ | 181 | |
| Total par value of stock issued _____ | \$ 181 | \$ _____ |
| Dividends declared per share for year _____ | \$ None | \$ _____ |

LONG TERM DEBT (ACCT. 224)

| DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (f) |
|--|-------------|--------------------------------|---|
| | RATE (d) | FREQUENCY OF PAYMENT (e) | |
| N/A | % | | \$ _____ |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
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| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| Total _____ | | | \$ _____ |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock.
Show amounts of dividends per share.
2. Show separately the state and federal income tax effect of items shown in
Account No. 439.

| ACCT. NO. (a) | DESCRIPTION (b) | AMOUNTS (c) |
|---------------------|--|----------------|
| 215 | Unappropriated Retained Earnings: | |
| | Balance beginning of year (Deficit) _____ | \$ (707,291) |
| | Changes to account: | |
| 439 | Adjustments to Retained Earnings (requires Commission approval prior to use): | |
| | Credits: _____ | |
| | _____ | |
| | Total Credits _____ | |
| | Debits: _____ | |
| | _____ | |
| | Total Debits _____ | |
| 435 | Balance transferred from Income (Loss) _____ | (164,691) |
| 436 | Appropriations of Retained Earnings: | |
| | _____ | |
| | _____ | |
| | Total appropriations of Retained Earnings _____ | |
| | Dividends declared: | |
| 437 | Preferred stock dividends declared | |
| 438 | Common stock dividends declared | |
| | _____ | |
| | Total Dividends Declared _____ | |
| | Balance end of year (Deficit) _____ | (871,982) |
| 214 | Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): | |
| | _____ | |
| | _____ | |
| | Total Appropriated Retained Earnings _____ | |
| | Total Retained Earnings (Deficit) _____ | \$ (871,982) |

Notes to Statement of Retained Earnings:

UTILITY NAME: Hudson Utilities, Inc.

BONDS (ACCT. 221)

| DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a) | INTEREST | | PRINCIPAL AMOUNT PER BALANCE SHEET (d) |
|---|-------------|-----------------------------|---|
| | RATE (b) | FREQUENCY OF PAYMENT (c) | |
| N/A | % | | \$ |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| | % | | |
| Total | ----- | | \$ |

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

| Report each account payable separately. | |
|---|--------------|
| DESCRIPTION (a) | TOTAL (b) |
| N/A | \$ |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | ----- |

UTILITY NAME: Hudson Utilities, Inc.

ACCRUED TAXES (ACCT. 236)

| ACCT. NO. (a) | DESCRIPTION (b) | WATER (c) | SEWER (d) | OTHER (e) | TOTAL (f) |
|---------------|--|-----------|-----------|-----------|-----------|
| | Balance First of Year _____ | \$ N/A | \$ 35,724 | \$ N/A | \$ 35,724 |
| | Accruals Charged: | | | | |
| 408.10 | Utility Regulatory Assessment Fees _____ | | 42,666 | | 42,666 |
| 408.11 | Property Taxes _____ | | 79,266 | | 79,266 |
| 408.12 | Payroll Taxes _____ | | 12,613 | | 12,613 |
| 408.13 | Other Taxes & Licenses _____ | | 908 | | 908 |
| 409.10 | Federal Income Taxes _____ | | | | |
| 409.11 | State Income Taxes _____ | | | | |
| | Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____ | | | | |
| | Total Taxes Accrued _____ | | 135,453 | | 135,453 |
| | Taxes Paid During Year: | | | | |
| 408.10 | Utility Regulatory Assessment Fees _____ | | 35,723 | | 35,723 |
| 408.11 | Property Taxes _____ | | 78,027 | | 78,027 |
| 408.12 | Payroll Taxes _____ | | 12,613 | | 12,613 |
| 408.13 | Other Taxes & Licenses _____ | | 908 | | 908 |
| 409.10 | Federal Income Taxes _____ | | | | |
| 409.11 | State Income Taxes _____ | | | | |
| | Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____ | | | | |
| | Total Taxes Paid _____ | | 127,271 | | 127,271 |
| | Balance End of Year _____ | \$ N/A | \$ 43,906 | \$ N/A | \$ 43,906 |

| DESCRIPTION OF CASE (DOCKET NO.) (a) | INCURRED DURING YEAR (b) | TRANSFERRED TO ACCT. NO. 186.1 (c) | YEAR | |
|---|-----------------------------|---------------------------------------|--------------|---------------|
| | | | ACCT. (d) | AMOUNT (e) |
| N/A | \$ _____ | \$ _____ | _____ | \$ _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| Total _____ | \$ _____ | \$ _____ | _____ | \$ _____ |

UTILITY NAME: Hudson Utilities, Inc.

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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

| DESCRIPTION (a) | BALANCE END OF YEAR (b) |
|---|-------------------------------|
| N/A | \$ _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total Miscellaneous Current and Accrued Liabilities _____ | \$ _____ |

ADVANCES FOR CONSTRUCTION (ACCT. 252)

| NAME OF PAYOR (a) | BALANCE BEGINNING OF YEAR (b) | DEBITS ACCT. | | CREDITS (e) | BALANCE END OF YEAR (f) |
|----------------------|--|-----------------|---------------|----------------|----------------------------------|
| | | DEBIT (c) | AMOUNT (d) | | |
| Pasco County | \$ 57,668 | | \$ _____ | \$ _____ | \$ 57,668 |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| Total _____ | \$ 57,668 | _____ | \$ _____ | \$ _____ | \$ 57,668 |

UTILITY NAME: Hudson Utilities, Inc.

SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY, MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

| DESCRIPTION OF CHARGE (a) | NUMBER OF CONNECTIONS (b) | CHARGE PER CONNECTION (c) | WATER (d) | SEWER (e) |
|--------------------------------------|--------------------------------------|--------------------------------------|----------------------|----------------------|
| Capacity Charges: | 468 | \$ 1,000.00 | | \$ 468,000 |
| Unrefundable CIAC gross-up charges | | | | 987 |
| | | | | |
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| | | | | |
| | | | | |
| Total Credits _____ | | | \$ _____ | \$ 468,987 |

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 272)

| DESCRIPTION (a) | WATER (b) | SEWER (c) | W & S OTHER THAN SYSTEM REPORTING (d) | TOTAL (e) |
|---|----------------------|----------------------|--|----------------------|
| Balance first of year _____ | \$ N/A | \$ 346,969 | \$ N/A | \$ 346,969 |
| Debits during year: | | | | |
| Accruals charged to Account 272 _____ | | 60,137 | | 60,137 |
| Other debits (specify): _____ | | | | |
| _____ | | | | |
| Total debits _____ | | 60,137 | | 60,137 |
| Credits during year (specify): _____ | | | | |
| _____ | | | | |
| Total Credits _____ | | | | |
| Balance end of year _____ | \$ N/A | \$ 407,106 | \$ N/A | \$ 407,106 |

UTILITY NAME: Hudson Utilities, Inc.

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES
(UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

| DESCRIPTION (a) | REFERENCE (b) | AMOUNT (c) |
|--|------------------|---------------|
| Net income for the year (Loss) _____ | | \$ (164,691) |
| Reconciling items for the year: | | |
| Taxable income not reported on the books: | | |
| _____ | | |
| _____ | | |
| _____ | | |
| _____ | | |
| Deductions recorded on books not deducted for return: | | |
| Amortization of goodwill _____ | | 188 |
| _____ | | |
| _____ | | |
| _____ | | |
| Income recorded on books not deducted for return: | | |
| Provision for deferred income taxes - credit _____ | | 165,845 |
| _____ | | |
| _____ | | |
| _____ | | |
| Deduction on return not charged against book income: | | |
| Depreciation & amortization _____ | | 230,687 |
| _____ | | |
| _____ | | |
| Federal tax net income (Loss) _____ | | \$ (561,035) |
| Computation of tax: | | |
| The Company has a net operating loss for 1998; therefore, no current income tax computation is necessary. | | |

**** COMPLETION OF SCHEDULE ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME: Hudson Utilities, Inc.

| |
|--|
| YEAR OF REPORT December 31, 1998 |
|--|

SCHEDULE "A"

SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION (2)

| CLASS OF CAPITAL (a) | DOLLAR AMOUNT (1) (b) | PERCENTAGE OF CAPITAL (c) | ACTUAL COST RATES (d) | WEIGHTED COST [c x d] (e) |
|-----------------------------|-----------------------------|------------------------------------|--------------------------------|------------------------------------|
| Common Equity | \$ N/A. | % | % | % |
| Preferred Stock | | % | % | % |
| Long Term Debt | | % | % | % |
| Customer Deposits | | % | % | % |
| Tax Credits - Zero Cost | | % | % | % |
| Tax Credits - Weighted Cost | | % | % | % |
| Deferred Income Taxes | | % | % | % |
| Other (Explain) | | % | % | % |
| Total | <u>\$ N/A</u> | <u> </u> % | | <u> </u> % |

- (1) Should equal amounts on Schedule B, Column (f), page F-25.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

| |
|---|
| Current Commission approved AFUDC rate: _____ % Commission order approving AFUDC rate: _____ |
|---|

**** COMPLETION OF SCHEDULE ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR ****

UTILITY NAME: Hudson Utilities, Inc.

| |
|--|
| YEAR OF REPORT December 31, 1998 |
|--|

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

| CLASS OF CAPITAL (a) | PER BOOK BALANCE (b) | NON-UTILITY ADJUSTMENTS (c) | NON-JURIS. ADJUSTMENTS (d) | OTHER (1) ADJUSTMENTS (e) | CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f) |
|-----------------------------|----------------------------|-----------------------------------|----------------------------------|---------------------------------|---|
| Common Equity | \$ N/A | \$ | \$ | \$ | \$ |
| Preferred Stock | | | | | |
| Long Term Debt | | | | | |
| Customer Deposits | | | | | |
| Tax Credits - Zero Cost | | | | | |
| Tax Credits - Weighted Cost | | | | | |
| Deferred Income Taxes | | | | | |
| Other (Explain) | | | | | |
| Total | \$ <u>N/A</u> | \$ <u> </u> | \$ <u> </u> | \$ <u> </u> | \$ <u> </u> |

(1) Explain below all adjustments made in Column (e):

WATER OPERATION SECTION

Note: Hudson Utilities, Inc. is a sewer only utility; therefore, Pages W-1 through W-10 have been omitted from this report.

**SEWER
OPERATION
SECTION**

UTILITY NAME: Hudson Utilities, Inc.

SEWER UTILITY PLANT ACCOUNTS

| ACCT. NO. (a) | ACCOUNT NAME (b) | PREVIOUS YEAR (c) | ADDITIONS (d) | RETIREMENTS (e) |
|---------------------|--|-------------------------|---------------------|--------------------|
| 351 | Organization _____ | \$ 6,246 | \$ | \$ |
| 352 | Franchises _____ | | | |
| 353 | Land and Land Rights _____ | 4,388 | 5,125 | |
| 354 | Structure and Improvements _____ | 1,684 | 511 | |
| 360 | Collection Sewers - Force _____ | 813,217 | 96,216 | |
| 361 | Collection Sewers - Gravity _____ | 2,463,702 | 752,280 | |
| 362 | Special Collecting Structures _____ | | | |
| 363 | Services to Customers _____ | 555,833 | 198,956 | |
| 364 | Flow Measuring Devices _____ | 139,517 | 1,837 | |
| 365 | Flow Measuring Installations _____ | | | |
| 370 | Receiving Wells _____ | 384,916 | 110,736 | |
| 371 | Pumping Equipment _____ | 355,921 | 114,865 | |
| 380 | Treatment and Disposal Equipment _____ | | | |
| 381 | Plant Sewers _____ | | | |
| 382 | Outfall Sewer Lines _____ | | | |
| 389 | Other Plant and Miscellaneous Equipment _____ | 6,298 | | |
| 390 | Office Furniture and Equipment _____ | 32,217 | 1,126 | |
| 391 | Transportation Equipment _____ | 32,593 | 9,043 | |
| 392 | Stores Equipment _____ | | | |
| 393 | Tools, Shop and Garage Equipment _____ | 9,071 | | |
| 394 | Laboratory Equipment _____ | | | |
| 395 | Power Operated Equipment _____ | | | |
| 396 | Communication Equipment _____ | | | |
| 397 | Miscellaneous Equipment _____ | 2,814 | | |
| 398 | Other Tangible Plant _____ | | | |
| | Total Sewer Plant _____ | \$ 4,808,417 | \$ 1,290,695 | \$ |

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

SEWER UTILITY PLANT MATRIX

| | .1 | .2 | .3 | .4 | .5 |
|------------------------|----------------------------|----------------------------|-----------------------------------|--|-------------------------|
| CURRENT YEAR (f) | INTANGIBLE PLANT (g) | COLLECTION PLANT (h) | SYSTEM PUMPING PLANT (i) | TREATMENT AND DISPOSAL PLANT (j) | GENERAL PLANT (k) |
| \$ 6,246 | \$ 6,246 | | | | |
| 9,513 | | \$ 9,513 | \$ | \$ | \$ |
| 2,195 | | 2,195 | | | |
| 909,433 | | 909,433 | | | |
| 3,215,982 | | 3,215,982 | | | |
| 754,789 | | 754,789 | | | |
| 141,354 | | 141,354 | | | |
| 495,652 | | | 495,652 | | |
| 470,786 | | | 470,786 | | |
| 6,298 | 6,298 | | | | |
| 33,343 | | | | | 33,343 |
| 41,636 | | | | | 41,636 |
| 9,071 | | | | | 9,071 |
| 2,814 | | | | | 2,814 |
| \$ 6,099,112 | \$ 12,544 | \$ 5,033,266 | \$ 966,438 | \$ | \$ 86,864 |

UTILITY NAME: Hudson Utilities, Inc.

YEAR OF REPORT
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SEWER UTILITY EXPENSE ACCOUNTS

| ACCT. NO. (a) | ACCOUNT NAME (b) | CURRENT YEAR (c) | .1 COLLECTION EXPENSES - OPERATIONS (d) | .2 COLLECTION EXPENSES - MAINTENANCE (e) |
|------------------|--|---------------------|---|--|
| 701 | Salaries and Wages - Employees | \$ 77,426 | \$ | \$ |
| 703 | Salaries and Wages - Officers, Directors and Majority Stockholders | 77,300 | 12,480 | |
| 704 | Employee Pensions and Benefits | 26,159 | | |
| 710 | Purchased Sewage Treatment | 288,653 | | |
| 711 | Sludge Removal Expense | | | |
| 715 | Purchased Power | 10,235 | 10,235 | |
| 716 | Fuel for Power Purchased | | | |
| 718 | Chemicals | | | |
| 720 | Materials and Supplies | 13,614 | | |
| 731 | Contractual Services - Engineering | | | |
| 732 | Contractual Services - Accounting | 24,457 | | |
| 733 | Contractual Services - Legal | 18,346 | | |
| 734 | Contractual Services - Management Fees | | | |
| 735 | Contractual Services - Other | 26,866 | 8,792 | |
| 741 | Rental of Building/Real Property | 9,472 | 9,472 | |
| 742 | Rental of Equipment | 1,774 | | |
| 750 | Transportation Expense | 7,631 | | |
| 756 | Insurance - Vehicle | 3,243 | 3,243 | |
| 757 | Insurance - General Liability | 9,081 | 9,081 | |
| 758 | Insurance - Workmens Compensation | 2,237 | 2,237 | |
| 759 | Insurance - Other | | | |
| 760 | Advertising Expense | | | |
| 766 | Regulatory Commission Expenses - Amortization of Rate Case Expense | | | |
| 767 | Regulatory Commission Expenses Other | | | |
| 770 | Bad Debt Expense | 7,248 | | |
| 775 | Miscellaneous Expenses | 2,656 | 267 | |
| | Total Sewer Utility Expenses | \$ 606,398 | \$ 55,807 | \$ |

SEWER EXPENSE ACCOUNT MATRIX

| .3 PUMPING EXPENSES - OPERATIONS (f) | .4 PUMPING EXPENSES - MAINTENANCE (g) | .5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h) | .6 & DISPOSAL EXPENSES - MAINTENANCE (i) | .7 TREATMENT CUSTOMER ACCOUNTS EXPENSE (j) | .8 ADMINISTRATIVE & GENERAL EXPENSES (k) |
|--|---|--|--|---|--|
| | \$ | \$ 77,426 | \$ | \$ | \$ |
| 29,700 | | | | 14,300 | 20,820 |
| | | 288,653 | | | 26,159 |
| | | | | | |
| | 2,988 | | | 7,088 | 3,538 |
| | | | | | 24,457 |
| | | | | | 18,346 |
| | 3,418 | 3,722 | | 3,634 | 7,300 |
| | | | | | 1,774 |
| | | 7,631 | | | |
| | | | | | |
| | | | | | |
| | | | | 7,248 | 1,578 |
| 29,700 | \$ 6,406 | \$ 378,243 | \$ | \$ 32,270 | \$ 103,972 |

UTILITY NAME: Hudson Utilities, Inc.

SEWER OPERATING REVENUE

| ACCT. NO. (a) | DESCRIPTION (b) | BEGINNING YEAR NO. CUSTOMERS (c) | YEAR END NUMBER CUSTOMERS (d) | AMOUNTS (e) |
|------------------|---|-------------------------------------|----------------------------------|----------------|
| | Operating Revenues: | | | |
| | Flat Rate Revenues: | | | |
| 521.1 | Residential Revenues ----- | | | \$ ----- |
| 521.2 | Commercial Revenues ----- | | | ----- |
| 521.3 | Industrial Revenues ----- | | | ----- |
| 521.4 | Revenues From Public Authorities ----- | | | ----- |
| 521.5 | Multiple Family Dwelling Revenues ----- | | | ----- |
| 521.6 | Other Revenues ----- | | | ----- |
| | Total Flat Rate Revenues ----- | | | ----- |
| | Measured Revenues: | | | |
| 522.1 | Residential Revenues ----- | 1,259 | 1,677 | 566,331 |
| 522.2 | Commercial Revenues ----- | 80 | 94 | 367,705 |
| 522.3 | Industrial Revenues ----- | | | ----- |
| 522.4 | Revenues From Public Authorities ----- | | | ----- |
| 522.5 | Multiple Family Dwelling Revenues ----- | | | ----- |
| | Total Measured Revenues ----- | 1,339 | 1,771 | 934,036 |
| 523 | Revenues From Public Authorities ----- | | | ----- |
| 524 | Revenues From Other Systems ----- | | | ----- |
| 525 | Interdepartmental Revenues ----- | | | ----- |
| | Totals ----- | 1,339 | 1,771 | 934,036 |
| | Other Sewer Revenues: | | | |
| 530 | Guarenteed Revenues ----- | | | ----- |
| 531 | Sale of Sludge ----- | | | ----- |
| 532 | Forfeited Discounts ----- | | | ----- |
| 534 | Rents From Sewer Property ----- | | | ----- |
| 535 | Interdepartmental Rents ----- | | | ----- |
| 536 | Other Sewer Revenues ----- | | | 14,093 |
| | Total Other Sewer Revenues ----- | | | 14,093 |
| | Total Sewer Operating Revenues ----- | | | \$ 948,129 |

UTILITY NAME: Hudson Utilities, Inc.

BASIS FOR SEWER DEPRECIATION CHARGES

| ACCT. NO. (a) | ACCOUNT NAME (b) | AVERAGE SERVICE LIFE IN YEARS (c) | AVERAGE NET SALVAGE IN PERCENT (d) | DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f) |
|---------------|---|-----------------------------------|------------------------------------|---|
| 351 | Organization | 10 | % | 10.00 % |
| 352 | Franchises | | % | % |
| 354 | Structure and Improvements | 27 | % | 3.70 % |
| 360 | Collection Sewers - Force | 30 | % | 3.33 % |
| 361 | Collection Sewers - Gravity | 30 | % | 3.33 % |
| 362 | Special Collecting Structures | | % | % |
| 363 | Services to Customers | 38 | % | 2.63 % |
| 364 | Flow Measuring Devices | 5 | % | 20.00 % |
| 365 | Flow Measuring Installations | | % | % |
| 370 | Receiving Wells | 25 | % | 4.00 % |
| 371 | Pumping Equipment | 18 | % | 5.56 % |
| 380 | Treatment and Disposal Equipment | | % | % |
| 381 | Plant Sewers | | % | % |
| 382 | Outfall Sewer Lines | | % | % |
| 389 | Other Plant and Miscellaneous Equipment | 15 | % | 6.67 % |
| 390 | Office Furniture and Equipment | 6 | % | 16.67 % |
| 391 | Transportation Equipment | 6 | % | 16.67 % |
| 392 | Stores Equipment | | % | % |
| 393 | Tools, Shop and Garage Equipment | 15 | % | 6.67 % |
| 394 | Laboratory Equipment | | % | % |
| 395 | Power Operated Equipment | 6 | % | 16.67 % |
| 396 | Communication Equipment | | % | % |
| 397 | Miscellaneous Equipment | 10 | % | 10.00 % |
| 398 | Other Tangible Plant | 30 | % | 3.33 % |
| | Sewer Plant Composite Depreciation Rate | | % | % |

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Hudson Utilities, Inc.

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION

| ACCT. NO. (a) | ACCOUNT NAME (b) | BALANCE AT BEGINNING OF YEAR (c) | ACCRUALS (d) | OTHER CREDITS * (e) | TOTAL CREDITS (d + e) (f) |
|---------------|---|----------------------------------|-------------------|---------------------|---------------------------|
| 351 | Organization _____ | \$ 6,246 | \$ _____ | \$ _____ | \$ 0 |
| 352 | Franchises _____ | | | | |
| 354 | Structure and Improvements _____ | 833 | 74 | | 74 |
| 360 | Collection Sewers - Force _____ | 268,422 | 28,711 | | 28,711 |
| 361 | Collection Sewers - Gravity _____ | 182,205 | 66,211 | | 66,211 |
| 362 | Special Collecting Structures _____ | | | | |
| 363 | Services to Customers _____ | 34,744 | 17,258 | | 17,258 |
| 364 | Flow Measuring Devices _____ | 43,944 | 11,515 | | 11,515 |
| 365 | Flow Measuring Installations _____ | | | | |
| 370 | Receiving Wells _____ | 73,697 | 17,612 | | 17,612 |
| 371 | Pumping Equipment _____ | 69,800 | 22,964 | | 22,964 |
| 380 | Treatment and Disposal Equipment _____ | | | | |
| 381 | Plant Sewers _____ | | | | |
| 382 | Outfall Sewer Lines _____ | | | | |
| 389 | Other Plant and Miscellaneous Equipment _____ | | | | |
| 390 | Office Furniture and Equipment _____ | 23,030 | 3,378 | | 3,378 |
| 391 | Transportation Equipment _____ | 4,691 | 6,682 | | 6,682 |
| 392 | Stores Equipment _____ | | | | |
| 393 | Tools, Shop and Garage Equipment _____ | 4,610 | 484 | | 484 |
| 394 | Laboratory Equipment _____ | | | | |
| 395 | Power Operated Equipment _____ | | | | |
| 396 | Communication Equipment _____ | | | | |
| 397 | Miscellaneous Equipment _____ | 4,453 | 402 | | 402 |
| 398 | Other Tangible Plant _____ | 753 | 282 | | 282 |
| | Total Depreciable Sewer Plant In Service _____ | \$ 717,428 | \$ 175,573 | \$ _____ | \$ 175,573 |

* Specify nature of transaction.
Use () to denote reversal entries.

ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION (Cont'd)

| PLANT RETIRED (g) | ASSOCIATED SALVAGE AND INSURANCE (h) | ASSOCIATED COST OF REMOVAL (i) | OTHER CHARGES (j) | TOTAL CHARGES (g-h+i+j) (k) | BALANCE AT END OF YEAR (c+f-k) (l) |
|-------------------------|--|--|-------------------------|--------------------------------------|--|
| \$ | \$ | \$ | \$ | \$ | \$ 6,246 |
| | | | | | 907 |
| | | | | | 297,133 |
| | | | | | 248,416 |
| | | | | | 52,002 |
| | | | | | 55,459 |
| | | | | | 91,309 |
| | | | | | 92,764 |
| | | | | | |
| | | | | | |
| | | | | | 26,408 |
| | | | | | 11,373 |
| | | | | | 5,094 |
| | | | | | |
| | | | | | 4,855 |
| | | | | | 1,035 |
| \$ | \$ | \$ | \$ | \$ | \$ 893,001 |

UTILITY NAME: Hudson Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
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PUMPING EQUIPMENT

| | (Master) | | | | | |
|---|----------|------|------|------|------|------|
| Lift station number _____ | 41 | 12 | 13 | 15 | 49 | 42 |
| Make or type and nameplate data of pump _____ | ABS | ABS | ABS | ABS | ABS | ABS |
| Year installed _____ | 1989 | 1973 | 1986 | 1988 | 1990 | 1990 |
| Rated capacity_ (GPM) _____ | | | | | | |
| Size _____ | 10 HP | 8 HP | 5 HP | 5 HP | 5 HP | 5 HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

| | | | | | | |
|---|-------|--------|--------|------|------|------|
| Lift station number _____ | CNW | 12-A | 52 | 19 | 33 | 57 |
| Make or type and nameplate data of pump _____ | Flyte | Imbara | Imbara | ABS | ABS | ABS |
| Year installed _____ | 1990 | 1978 | 1990 | 1988 | 1988 | 1989 |
| Rated capacity_ (GPM) _____ | | | | | | |
| Size _____ | 4 HP | 3 HP | 3 HP | 2 HP | 2 HP | 2 HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

SERVICE CONNECTIONS

| | | | | | | |
|--|-------|-------|-----|--|--|--|
| Size (inches) _____ | 4" | 6" | 6" | | | |
| Type (PVC, VCP, etc) _____ | PVC | PVC | YCP | | | |
| Average length _____ | 18' | 11' | 17' | | | |
| Number of active service connections _____ | 1051 | 528 | 192 | | | |
| Beginning of year _____ | 1,257 | 1,023 | 192 | | | |
| Added during year _____ | 554 | 224 | | | | |
| Retired during year _____ | | (191) | | | | |
| End of year _____ | 1,811 | 1,056 | 192 | | | |
| Give full particulars concerning inactive connections - inactive homes | 343 | 238 | | | | |
| - vacant / vacant lots | 417 | 290 | | | | |

Note (1): The Company expects virtually all inactive homes to be connected during 1999.

UTILITY NAME: Hudson Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
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PUMPING EQUIPMENT

| | | | | | | |
|---|--------|--------|--------|--------|--------|--------|
| Lift station number _____ | 11 | 14 | 16 | 9 | 10 | 17 |
| Make or type and nameplate data of pump _____ | Barnes | Barnes | Barnes | Barnes | Barnes | Barnes |
| Year installed _____ | 1997 | 1997 | 1997 | 1997 | 1997 | 1997 |
| Rated capacity _____ | | | | | | |
| Size _____ | 11 HP | 11 HP | 11 HP | 11 HP | 11 HP | 11 HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

| | | | | | | |
|---|--------|--------|--------|--------|--------|--------|
| Lift station number _____ | 53 | 51 | 23 | 21 | 36 | 37 |
| Make or type and nameplate data of pump _____ | Barnes | Barnes | Barnes | Barnes | Barnes | Barnes |
| Year installed _____ | 1997 | 1998 | 1998 | 1998 | 1998 | 1998 |
| Rated capacity _____ | | | | | | |
| Size _____ | 11HP | 11HP | 11HP | 11HP | 11HP | 11HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

SERVICE CONNECTIONS

| | | | | | | |
|---|--|--|--|--|--|--|
| Size (inches) _____ | | | | | | |
| Type (PVC, VCP, etc) _____ | | | | | | |
| Average length _____ | | | | | | |
| Number of active service connections _____ | | | | | | |
| Beginning of year _____ | | | | | | |
| Added during year _____ | | | | | | |
| Retired during year _____ | | | | | | |
| End of year _____ | | | | | | |
| Give full particulars concerning inactive connections _____ | | | | | | |

UTILITY NAME: Hudson Utilities, Inc.
 SYSTEM NAME: Same

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PUMPING EQUIPMENT

| | | | | | | |
|---|--------|--------|--------|------|--------|--------|
| Lift station number _____ | 32 | 22 | 26 | 35 | 31 | 6 |
| Make or type and nameplate data of pump _____ | Barnes | Barnes | Barnes | ABS | Barnes | Barnes |
| Year installed _____ | 1997 | 1997 | 1997 | 1993 | 1993 | 1993 |
| Rated capacity _____ | | | | | | |
| Size _____ | 11 HP | 11 HP | 11 HP | 2 HP | 11 HP | 11 HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

| | | | | | | |
|---|--------|------------|--------|--------|--------|--------|
| Lift station number _____ | 55 | Master #56 | 5 | 4 | 3 | 2 |
| Make or type and nameplate data of pump _____ | Barnes | Flyte | Barnes | Barnes | Barnes | Barnes |
| Year installed _____ | 1994 | 1994 | 1994 | 1994 | 1994 | 1994 |
| Rated capacity _____ | | | | | | |
| Size _____ | 11 HP | 18 HP | 11 HP | 11 HP | 11 HP | 11 HP |
| Power: | | | | | | |
| Electric _____ | x | x | x | x | x | x |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

SERVICE CONNECTIONS

| | | | | | | |
|---|--|--|--|--|--|--|
| Size (inches) _____ | | | | | | |
| Type (PVC, VCP, etc) _____ | | | | | | |
| Average length _____ | | | | | | |
| Number of active service connections _____ | | | | | | |
| Beginning of year _____ | | | | | | |
| Added during year _____ | | | | | | |
| Retired during year _____ | | | | | | |
| End of year _____ | | | | | | |
| Give full particulars concerning inactive connections _____ | | | | | | |

UTILITY NAME: Hudson Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
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PUMPING EQUIPMENT

| | | | | | | |
|---|--------|--|--|--|--|--|
| Lift station number _____ | 1 | | | | | |
| Make or type and nameplate data of pump _____ | Barnes | | | | | |
| Year installed _____ | 1994 | | | | | |
| Rated capacity _____ | | | | | | |
| Size _____ | 11 HP | | | | | |
| Power: | | | | | | |
| Electric _____ | x | | | | | |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

| | | | | | | |
|---|--|--|--|--|--|--|
| Lift station number _____ | | | | | | |
| Make or type and nameplate data of pump _____ | | | | | | |
| Year installed _____ | | | | | | |
| Rated capacity _____ | | | | | | |
| Size _____ | | | | | | |
| Power: | | | | | | |
| Electric _____ | | | | | | |
| Mechanical _____ | | | | | | |
| Nameplate data of motor _____ | | | | | | |

SERVICE CONNECTIONS

| | | | | | | |
|---|--|--|--|--|--|--|
| Size (inches) _____ | | | | | | |
| Type (PVC, VCP, etc) _____ | | | | | | |
| Average length _____ | | | | | | |
| Number of active service connections _____ | | | | | | |
| Beginning of year _____ | | | | | | |
| Added during year _____ | | | | | | |
| Retired during year _____ | | | | | | |
| End of year _____ | | | | | | |
| Give full particulars concerning inactive connections _____ | | | | | | |

UTILITY NAME: Hudson Utilities, Inc.
 SYSTEM NAME: Same

COLLECTING MAINS

| COLLECTING MAINS: | | | | | | |
|--------------------------------|---------|-------|-------|-------|-------|-------|
| Size (inches) _____ | 8" | 8" | _____ | _____ | _____ | _____ |
| Type of main _____ | PVC | VCP | _____ | _____ | _____ | _____ |
| Length of main (nearest foot): | | | | | | |
| Beginning of year _____ | 72,483 | 9,185 | _____ | _____ | _____ | _____ |
| Added during year _____ | 22,340 | _____ | _____ | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| End of year _____ | 94,823 | 9,185 | _____ | _____ | _____ | _____ |
| MANHOLES: | | | | | | |
| Size (inches) _____ | 4' | 4' | _____ | _____ | _____ | _____ |
| Type _____ | PRECAST | BRICK | _____ | _____ | _____ | _____ |
| Number: | | | | | | |
| Beginning of year _____ | 275 | 31 | _____ | _____ | _____ | _____ |
| Added during year _____ | 91 | _____ | _____ | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| End of year _____ | 366 | 31 | _____ | _____ | _____ | _____ |

FORCE MAINS

| FORCE MAINS: | | | | | | |
|--------------------------------|--------|--------|-------|-------|-------|-------|
| Size (inches) _____ | 4" | 6" | 8" | 8" | 12" | 6" |
| Type of main _____ | PVC | PVC | PVC | DIP | DIP | DIP |
| Length of main (nearest foot): | | | | | | |
| Beginning of year _____ | 16,576 | 30,699 | 3,890 | 104 | 3,756 | 128 |
| Added during year _____ | 5,105 | 1,389 | _____ | _____ | _____ | _____ |
| Retired during year _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| End of year _____ | 21,681 | 32,088 | 3,890 | 104 | 3,756 | 128 |

UTILITY NAME: Hudson Utilities, Inc.
SYSTEM NAME: Same

TREATMENT PLANT

| | | |
|---|--|--|
| Manufacturer _____ Type _____ "Steel" or "Concrete" _____ Total Capacity _____ Average Daily Flow _____ Effluent Disposal _____ Total Gallons of Sewage Treated _____ | All sewage is transmitted for treatment to the Pasco County sub-regional wastewater plant. N/A N/A 244,164 N/A 89,120,000 | _____ _____ _____ _____ _____ _____ |
|---|--|--|

MASTER LIFT STATION PUMPS

| | | | | | | |
|---|-----------------------------------|---------------------------------------|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Manufacturer _____ Capacity _____ (GPM) Motor: Mfr. _____ Horsepower _____ Power (Electric or Mechanical) _____ | ABS 650 10 HP Electrical | Flyte 1,000 18 HP Electrical | Barnes 650 11 HP Electrical | _____ _____ _____ _____ | _____ _____ _____ _____ | _____ _____ _____ _____ |
|---|-----------------------------------|---------------------------------------|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|

OTHER SEWER SYSTEM INFORMATION

Furnish information below for each system not physically connected with another facility. A separate page should be supplied where necessary.

- Maximum number of ERC's * which can be served. 1,411
- Estimated annual increase in ERC's * Approximately 581
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. CS51-151277, CS51-184031, CS51-185477, PCCS #60, PCCS #113 & PCCS #126, PCCS 126 & DEP #CS51-0131619
- State any plans and estimated completion dates for any enlargements of this system.
Continued extension of collection system within the Company's service area.
- If the present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - Evaluation of the present plant or plants in regard to meeting the DER's rules.
 - Plans for funding and construction of the required upgrading.
 - Have these plans been coordinated with the DER? Yes
 - Do they concur? Yes
 - When will construction begin? 1999
- In what percent of your certificated area have service connections been installed? 82 %

* ERC = (Total Gallons Treated / 365 Days) / 275 Gallons Per Day (Note 1)

Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

Note (1): Per Company's engineer, 173 gallons per day based on most recent FPSC rate order.

UTILITY NAME: Hudson Utilities, Inc.
SYSTEM NAME: Same

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

| METER SIZE (a) | TYPE OF METER (b) | EQUIVALENT FACTOR (c) | NUMBER OF METERS (d) | TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e) |
|--|-----------------------------------|--------------------------|-------------------------|---|
| 5/8" | Displacement | 1.0 | 1,677 | 1,677 |
| 3/4" | Displacement | 1.5 | 70 | 105 |
| 1" | Displacement | 2.5 | 6 | 15 |
| 1 1/2" | Displacement or Turbine | 5.0 | 8 | 40 |
| 2" | Displacement, Compound or Turbine | 8.0 | 5 | 40 |
| 3" | Displacement | 15.0 | 2 | 30 |
| 3" | Compound | 16.0 | | |
| 3" | Turbine | 17.5 | | |
| 4" | Displacement or Compound | 25.0 | 2 | 50 |
| 4" | Turbine | 30.0 | | |
| 6" | Displacement or Compound | 50.0 | 1 | 50 |
| 6" | Turbine | 62.5 | | |
| 8" | Compound | 80.0 | | |
| 8" | Turbine | 90.0 | | |
| 10" | Compound | 115.0 | | |
| 10" | Turbine | 145.0 | | |
| 12" | Turbine | 215.0 | | |
| Total SEWER System Meter Equivalents ----- | | | | 2,007 |

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{89,120,000}{365 \text{ days}} \right) / 275 \text{ gpd (1)} = \underline{1,411}$$

(total gallons purchased)

Note (1): See note 1 on Schedule S-8 for 173gpd vs. 275gpd