

CLASS "A" OR "B"

WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF
SU299 28
Highlands Utilities Corporation
720 U.S. Highway 27 South
Lake Placid, FL 33852-9515

3615

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

01 MAY 31 PM 3:34
PUBLIC SERVICE
ECONOMIC REGULATION

RECEIVED
MAY 31 2000
PUBLIC SERVICE
ECONOMIC REGULATION
COMMISION



SU299-00-AR
HIGHLANDS UTILITY CORP.

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2000

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Williams & Sherman

CERTIFIED PUBLIC ACCOUNTANTS

FRANK L. WILLIAMS, CPA
LISA SHERMAN, CPA

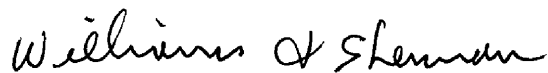
111 PARK AVENUE EAST
LAKE PLACID, FL 33852-6362
(863) 465-2835
(863) 382-3110
FAX (863) 465-3323

To the Board of Directors
Highlands Utilities Corporation
Lake Placid, Florida

We have compiled the balance sheets of Highlands Utilities Corporation as of December 31, 2000 and 1999, and the related statements of operations and retained earnings for the years then ended and supplementary information included 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 management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Florida Public Service Commission, which may differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Williams & Sherman, CPA's

May 3, 2001

STATE OF FLORIDA

Commissioners:
E. LEON JACOBS, JR., CHAIRMAN
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

April 4, 2001

Mr. Frank L. Williams, CPA
Williams & Sherman
111 Park Avenue, East
Lake Placid, FL 33852-6362

Re: EXTENSION OF TIME TO FILE THE 2000 ANNUAL REPORT FOR HIGHLANDS UTILITIES CORPORATION

Dear Mr. Williams:

Your request for a thirty-day extension to file the Highlands Utilities Corporation, 2000 Annual Report is granted. Pursuant to Rule 25-30.110(3), Florida Administrative Code F.A.C., your request for a 30-day extension to file the 2000 Annual Report is automatically granted. The report is now due on or before **April 30, 2001**. Please be reminded that Rule 25-30.110(7), F.A.C., requires that a penalty be assessed against any utility that fails to file a timely Annual Report. The filing must include an original and two (2) copies of the Annual Report. If we can be of further assistance, please call Karen Peacock at (850) 413-6832.

Sincerely,

A handwritten signature in black ink that reads "Tim Devlin".

Tim Devlin
Director, Division of Economic Regulation

DM:kfp
Enclosure

cc: Annual Report File

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility.

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EXECUTIVE SUMMARY

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CERTIFICATION OF ANNUAL REPORT

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

- | | | |
|--|--------------------------------|--|
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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 the financial statement of the utility. |
| YES
<input checked="" type="checkbox"/> | NO
<input type="checkbox"/> | 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 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 Chief Executive Officer of the utility) *

1.	2.	3.	4.
X	X	X	X



 (Signature of 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

YEAR OF REPORT
December 31, 2000

Highlands Utilities Corporation
(Exact Name of Utility)

County: Highlands

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

Highlands Utilities Corporation
720 U.S. 27 South
Lake Placid, FL 33852-9515

Telephone: 863-465-1296

E Mail Address: huco@htn.net

WEB Site: None

Sunshine State One-Call of Florida, Inc. Member Number None

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

Dixon Pugh
720 U.S. 27 South
Lake Placid, FL 33852-9515

Telephone: 863-465-1296

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

720 U.S. 27 South
Lake Placid, FL 33852-9515

Telephone: 863-465-1296

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

None

Date of original organization of the utility: 07/24/81

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% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Dixon Pugh	50%
2.	Sue Pugh	50%
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31,2000

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Dixon Pugh	President		General Counsel
Sue Pugh	Vice-President		General Counsel
Frank L. Williams, CPA	Consultant	Williams & Sherman	General Counsel

- (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.

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. Company incorporated July 24, 1981.
- B. Commercial and residential sewage collection and treatment in both Sebring and Lake Placid, Florida.
- C. To give customers quality sewer service at the lowest possible price while at the same time maintain company profitability.
- D. Only one division.
- E. Expansion as needed.
- F. Consistent high growth rate of franchised area serving Highlands County, Florida.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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PARENT / AFFILIATE ORGANIZATION CHART

Current as of April 26, 2001

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

Highlands Utilities Corporation 720 U.S. 27 South Lake Placid, Florida 33852	Pugh Septic Tank Service, Inc 720 U.S. 27 South Lake Placid, Florida 33852
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Both Owned by Dixon Pugh
720 U.S. 27 South
Lake Placid, Florida 33852

100% by rules of attribution

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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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 THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Dixon Pugh	President	95%	\$ 74,379
Sue Pugh	Vice-President	95%	35,257
Lorri Lammie	Sec/Treas	100%	31,369

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)
			\$ None

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

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)
Dixon Pugh	Operations	\$ 17,537	Pugh Septic Tank Service, Inc. 720 U.S. 27 South Lake Placid, FL 33852-9515

* 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: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principle occupation or business 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)
Dixon Pugh	Manager	Owner/President	Pugh Septic Tank Service, Inc.
			720 U.S. 27 South Lake Placid, FL
			33852-9515
Sue Pugh	Manager	Owner/Vice-Pres.	Pugh Septic Tank Service, Inc.
			720 U.S. 27 South Lake Placid, FL
			33852-9515

UTILITY NAME: Highlands Utilities Corporation

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

- Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
- 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
 - write-off of bad debts or loans
- 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 reported. (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)
None		\$	\$	\$	

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**FINANCIAL
SECTION**

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 1,713,963	\$ 1,757,222
108-110	Less: Accumulated Depreciation and Amortization	F-8	730,414	787,867
Net Plant			\$ 983,549	\$ 969,355
114-115	Utility Plant Acquisition adjustment (Net)	F-7		
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 983,549	\$ 969,355
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$	\$
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property			\$	\$
123	Investment In Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property & Investments			\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 23,277	\$ 15,256
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	50,982	50,141
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12		
Total Current and Accrued Assets			\$ 74,259	\$ 65,397

* Not Applicable for Class B Utilities

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 760	\$ 760
204	Preferred Stock Issued	F-15		
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		76,990	76,990
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(531,199)	(572,474)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (453,449)	\$ (494,724)
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	179,560	206,497
224	Other Long Term Debt	F-17		
Total Long Term Debt			\$ 179,560	\$ 206,497
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		24,824	33,095
232	Notes Payable	F-18	464,563	464,775
233	Accounts Payable to Associated Companies	F-18		
234	Notes Payable to Associated Companies	F-18		
235	Customer Deposits		178	
236	Accrued Taxes	W/S-3	21,423	11,413
237	Accrued Interest	F-19	203,076	222,783
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 714,064	\$ 732,066

* Not Applicable for Class B Utilities

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	_____	_____
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		_____	_____
Total Deferred Credits			\$ _____	\$ _____
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & 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-22	\$ 1,101,973	\$ 1,132,573
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	482,066	541,073
Total Net C.I.A.C.			\$ 619,907	\$ 591,500
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		13	-
283	Accumulated Deferred Income Taxes - Other		62	-
Total Accumulated Deferred Income Tax			\$ 75	\$ -
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 1,060,157	\$ 1,035,339

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31,2000

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues	F-3(b)	\$ 551,730	\$ 556,889
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
	Net Operating Revenues		\$ 551,730	\$ 556,889
401	Operating Expenses	F-3(b)	\$ 447,969	\$ 460,963
403	Depreciation Expense:	F-3(b)	\$ 80,450	\$ 87,768
	Less: Amortization of CIAC	F-22	54,327	59,007
	Net Depreciation Expense		\$ 26,123	\$ 28,761
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC)	F-3(b)		
408	Taxes Other Than Income	W/S-3	53,885	50,441
409	Current Income Taxes	W/S-3		
410.10	Deferred Federal Income Taxes	W/S-3	(3,034)	(75)
410.11	Deferred State Income Taxes	W/S-3	(915)	-
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
	Utility Operating Expenses		\$ 524,028	\$ 540,090
	Net Utility Operating Income		\$ 27,702	\$ 16,799
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
	Total Utility Operating Income [Enter here and on Page F-3(c)]		\$ 27,702	\$ 16,799

* For each account, Column e should agree with Columns f, g and h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
	\$ 556,889	\$
\$	\$ 556,889	\$
\$	\$ 460,963	\$
	87,768	
	59,007	
\$	\$ 28,761	\$
	50,441	
	(75)	
	-	
\$	\$ 540,090	\$
\$	\$ 16,799	\$
\$	\$ 16,799	\$

* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 27,702	\$ 16,799
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income		891	1,089
421	Nonutility Income		1,276	3
426	Miscellaneous Nonutility Expenses		(3,000)	(3,000)
Total Other Income and Deductions			\$ (833)	\$ (1,908)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$	\$
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ 54,310	\$ 54,404
428	Amortization of Debt Discount & Expense	F-13	1,762	1,762
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ 56,072	\$ 56,166
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$	\$
NET INCOME			\$ (29,203)	\$ (41,275)

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$	\$ 1,757,222
	Less:			
	Nonused and Useful Plant (1)			-
108	Accumulated Depreciation	F-8		787,867
110	Accumulated Amortization	F-8		
271	Contributions In Aid of Construction	F-22		1,132,573
252	Advances for Construction	F-20		
Subtotal			\$	\$ (163,218)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22		541,073
Subtotal			\$	\$ 377,855
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)			57,620
	Other (Specify): _____ _____ _____			
RATE BASE			\$	\$ 435,475
NET UTILITY OPERATING INCOME			\$	\$ 16,799
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)				3.86%

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 0	0.00%	11.34%	0.00%
Preferred Stock				
Long Term Debt				
Customer Deposits				
Tax Credits - Zero Cost				
Tax Credits - Weighted Cost				
Deferred Income Taxes				
Other (Explain) A/C 223 Debt	206,497	30.76%	7.00%	2.15%
A/C 232 (S-T) Debt	464,775	69.24%	9.36%	6.48%
Total	\$ <u>671,272</u>	<u>100.00%</u>		<u>8.63%</u>

(1) If the utility's capital structure is not used, explain which capital structure is used.

(2) Should equal amounts on Schedule F-6, Column (g).

(3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>Unknown</u> %
Commission order approving Return on Equity:	<u>11.34%</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	_____ %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

Highlands Utilities Corporation

UTILITY NAME:

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 0	\$	\$	\$	\$	\$ 0
Preferred Stock						
Long Term Debt						
Customer Deposits						
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes						
Other (Explain) A/C 223	206,497					206,497
A/C 232 S-T Debt	464,775					464,775
Total	\$ 671,272	\$	\$	\$	\$	\$ 671,272

(1) Explain below all adjustments made in Columns (e) and (f):

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 1,757,222	\$ _____	\$ _____	\$ 1,757,222
102	Utility Plant Leased to Other	_____	_____	_____	_____
103	Property Held for Future Use	_____	_____	_____	_____
104	Utility Plant Purchased or Sold	_____	_____	_____	_____
105	Construction Work in Progress	_____	_____	_____	_____
106	Completed Construction Not Classified	_____	_____	_____	_____
	Total Utility Plant	\$ 1,757,222	\$ _____	\$ _____	\$ 1,757,222

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

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

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Plant Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____
115	Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
		_____	_____	_____	_____
		_____	_____	_____	_____
		_____	_____	_____	_____
	Total Accumulated Amortization	\$ _____	\$ _____	\$ _____	\$ _____
	Net Acquisition Adjustments	\$ _____	\$ _____	\$ _____	\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$	\$ 730,414	\$	\$ 730,414
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$	\$ 87,768	\$	\$ 87,768
Account 108.2 (2)				
Account 108.3 (2)				
Other Accounts (specify):				
Salvage				
Other Credits (Specify):				
Total Credits	\$	\$ 87,768	\$	\$ 87,768
Debits during year:				
Book cost of plant retired		30,315		30,315
Cost of Removal				
Other Debits (specify):				
Total Debits	\$	\$ 30,315	\$	\$ 30,315
Balance end of year	\$	\$ 787,867	\$	\$ 787,867
ACCUMULATED AMORTIZATION Account 110				
Balance first of year	\$	\$	\$	\$
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$	\$	\$	\$
Other Accounts (specify):				
Total credits	\$	\$	\$	\$
Debits during year:				
Book cost of plant retired				
Other debits (specify):				
Total Debits	\$	\$	\$	\$
Balance end of year	\$	\$	\$	\$

- (1) Account 108 for Class B utilities.
- (2) Not applicable for Class B utilities.
- (3) Account 110 for Class B utilities.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
	\$ _____	_____	\$ _____
	_____	_____	_____
	_____	_____	_____
Total	\$ _____	_____	\$ _____

NONUTILITY PROPERTY (ACCOUNT 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 (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Nonutility Property	\$ _____	\$ _____	\$ _____	\$ _____

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

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

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): _____ _____	\$ _____ _____
Total Special Deposits	\$ _____
OTHER SPECIAL DEPOSITS (Account 133): _____ _____	\$ _____ _____
Total Other Special Deposits	\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127**

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

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125): <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): <hr/> <hr/> <hr/> <hr/> <hr/>		\$ _____ _____ _____ _____ _____
Total Special Funds		\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
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ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ _____	
Wastewater	48,641	
Other	_____	
		48,641
Total Customer Accounts Receivable		\$ _____
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Employee advances	\$ 1,500	
_____	_____	
_____	_____	
		1,500
Total Other Accounts Receivable		\$ _____
NOTES RECEIVABLE (Account 144):		
_____	\$ _____	
_____	_____	
_____	_____	
Total Notes Receivable		\$ _____
Total Accounts and Notes Receivable		\$ 50,141
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ _____	
Add: Provision for uncollectibles for current year	\$ _____	
Collection 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		\$ _____
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 50,141

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31,2000

**ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
	\$ _____

Total	\$ _____

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
		\$ _____
	%	_____
	%	_____
	%	_____
	%	_____
	%	_____
	%	_____
	%	_____
Total		\$ _____

**MISCELLANEOUS CURRENT AND ACCRUED ASSETS
ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
	\$ _____

Total Miscellaneous Current and Accrued Liabilities	\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 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 (Account 181):	\$ 1,762	\$ 587
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ <u>1,762</u>	\$ <u>587</u>
UNAMORTIZED PREMIUM ON DEBT (Account 251):	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
_____	\$ _____
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1) _____ _____ _____	\$ _____ _____ _____	\$ _____ _____ _____
Total Deferred Rate Case Expense	\$ _____	\$ _____
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Other Deferred Debits	\$ _____	\$ _____
REGULATORY ASSETS (Class A Utilities: Account. 186.3): _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____
Total Regulatory Assets	\$ _____	\$ _____
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ _____	\$ _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share		\$ 10.00
Shares authorized		1,000
Shares issued and outstanding		76
Total par value of stock issued		\$ 760
Dividends declared per share for year		\$ 0
PREFERRED STOCK		
Par or stated value per share		\$
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		\$
Dividends declared per share for year		\$

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as 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	\$ (531,199)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ _____
	Debits: _____	\$ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income	\$ (41,275)
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ (572,474)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
	Total Retained Earnings	\$ (572,474)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 312000
--

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
Advances from Pugh Septic Tank Service, Inc.	\$ 206,497
Total	\$ 206,497

**OTHER LONG-TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			
Bank of America	8.38 %	Fixed	\$ 2,887
Dixon Pugh	10.00 %	Fixed	166,488
Bank of America	9.66 %	Fixed	3,248
Huntington	8.90 %	Fixed	228,116
GMAC	9.00 %	Fixed	13,141
Huntington Bank	9.00 %	Variable	50,895
	%		
	%		
Total Account 232			\$ <u>464,775</u>
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ _____

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ _____

UTILITY NAME: Highlands Utilities Corporation

**ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427**

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt Account 223 - Advances from Pugh Septic Tank Services, Inc.	\$ 164,421	427.1	12,611	\$ 7,512	\$ 169,520
Total Account 237.1	\$			\$	
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities Customer Deposits	\$ 38,655	427.2	41,793	\$ 27,185	\$ 53,263
Notes Payable - Account 232 - Various					
Total Account 237.2	\$ 38,655			\$ 27,185	\$ 53,263
Total Account 237 (1)	\$ 203,076		54,404	\$ 34,697	\$ 222,783
INTEREST EXPENSED:					
Total accrual Account 237		237	54,404		
Less Capitalized Interest Portion of AFUDC:					
Net Interest Expensed to Account No. 427 (2)					

(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
(2) Must agree to F-3 (c), Current Year Interest Expense

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____	\$ _____
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____	\$ _____
TOTAL OTHER DEFERRED CREDITS	\$ _____	\$ _____

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____	\$ 1,101,973	\$ _____	\$ 1,101,973
Add credits during year:	\$ _____	\$ 30,600	\$ _____	\$ 30,600
Less debit charged during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Contribution In Aid of Construction	\$ _____	\$ 1,132,573	\$ _____	\$ 1,132,573

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ _____	\$ 482,066	\$ _____	\$ 482,066
Debits during the year:	\$ _____	\$ 59,007	\$ _____	\$ 59,007
Credits during the year	\$ _____	\$ _____	\$ _____	\$ _____
Total Accumulated Amortization of Contributions In Aid of Construction	\$ _____	\$ 541,073	\$ _____	\$ 541,073

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 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 computations 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, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ (41,275)
Reconciling items for the year:		
Taxable income not reported on books:		
Amortization of prior CIAC		11,014
CIAC collected		30,600
Deductions recorded on books not deducted for return:		
Excess of Book over Tax Depreciation		19,626
Interest accrual to related party		14,382
DEP penalty		3,000
Accounts receivable adjustment		816
Income recorded on books not included in return:		
Amortization of CIAC		(59,007)
Income Tax - Deferred		(75)
Deduction on return not charged against book income:		
Net operating loss carryforward		(172,103)
Federal tax net income		\$ (193,022)

Computation of tax :

Taxable Income - Above	\$ (193,022)
Federal Tax	\$ - 0 -
State Tax	\$ - 0 -

THIS COMPANY IS SEWER ONLY

**WASTEWATER
OPERATION
SECTION**

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

SYSTEM NAME / COUNTY : Highlands

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(a)	\$ 1,757,222
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6(b)	787,867
110	Accumulated Amortization		
271	Contributions In Aid of Construction	S-7	1,132,573
252	Advances for Construction	F-20	
Subtotal			\$ (163,218)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	\$ 541,073
Subtotal			\$ 377,855
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		57,620
	Other (Specify):		
WASTEWATER RATE BASE			\$ 435,475
WASTEWATER OPERATING INCOME		S-3	\$ 16,799
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			3.86%

- NOTES : (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT December 31, 2000
--

SYSTEM NAME / COUNTY : Highlands

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	S-9(a)	\$ 556,889
530	Less: Guaranteed Revenue (and AFPI)	S-9(a)	
	Net Operating Revenues		\$ 556,889
401	Operating Expenses	S-10(a)	\$ 460,963
403	Depreciation Expense	S-6(a)	87,768
	Less: Amortization of CIAC	S-8(a)	59,007
	Net Depreciation Expense		\$ 28,761
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		24,827
408.11	Property Taxes		10,406
408.12	Payroll Taxes		12,586
408.13	Other Taxes and Licenses		2,622
408	Total Taxes Other Than Income		\$ 50,441
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		(75)
410.11	Deferred State 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		\$ 540,090
	Utility Operating Income		\$ 16,799
530	Add Back:		
	Guaranteed Revenue (and AFPI)	S-9(a)	\$
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 16,799

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 1,355			\$ 1,355
352	Franchises	11,337			11,337
353	Land and Land Rights	30,499			30,499
354	Structures and Improvements	64,159	10,543		74,702
355	Power Generation Equipment				
360	Collection Sewers - Force	224,698	5,568		230,266
361	Collection Sewers - Gravity	250,052			250,052
362	Special Collecting Structures	1,333			1,333
363	Services to Customers	1,724			1,724
364	Flow Measuring Devices	5,618	936		6,554
365	Flow Measuring Installations	1,965			1,965
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	69,310	443		69,753
371	Pumping Equipment	210,212	44,333		254,545
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	678,425			678,425
381	Plant Sewers	2,922	1,230		4,152
382	Outfall Sewer Lines				
389	Other Plant Miscellaneous Equipment	9,756			9,756
390	Office Furniture and Equipment	30,441	3,438	10,816	23,063
391	Transportation Equipment	60,737	2,963		63,700
392	Stores Equipment	1,607			1,607
393	Tools, Shop and Garage Equipment	14,071	3,042	9,769	7,344
394	Laboratory Equipment				
395	Power Operated Equipment	7,224			7,224
396	Communication Equipment	10,494	650	9,730	1,414
397	Miscellaneous Equipment	6,086	428		6,514
398	Other Tangible Plant	19,938			19,938
	Total Wastewater Plant	\$ 1,713,963	\$ 73,574	\$ 30,315	\$ 1,757,222

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

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (i)	.7 GENERAL PLANT (k)
351	Organization	\$ 1,355						
352	Franchises	11,337						
353	Land and Land Rights		30,499					
354	Structures and Improvements		74,702					
355	Power Generation Equipment							
360	Collection Sewers - Force		230,266					
361	Collection Sewers - Gravity		250,052					
362	Special Collecting Structures		1,333					
363	Services to Customers		1,724					
364	Flow Measuring Devices		6,554					
365	Flow Measuring Installations		1,965					
366	Reuse Services							
367	Reuse Meters and Meter Installations			69,753				
370	Receiving Wells			254,545				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs				678,425			
375	Reuse Transmission and Distribution System				4,152			
380	Treatment and Disposal Equipment							23,063
381	Plant Sewers							63,700
382	Outfall Sewer Lines							1,607
389	Other Plant Miscellaneous Equipment				9,756			7,344
390	Office Furniture and Equipment							7,224
391	Transportation Equipment							1,414
392	Stores Equipment							6,514
393	Tools, Shop and Garage Equipment							19,938
394	Laboratory Equipment							
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 12,692	\$ 597,095	\$ 324,298	\$ 692,333	\$	\$	\$ 130,804

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

S-4(b)
GROUP _____

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

SYSTEM NAME / COUNTY : Highlands

BASIS FOR WASTEWATER 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 (e)
354	Structures and Improvements	32		3.13%
355	Power Generation Equipment			
360	Collection Sewers - Force	30		3.33%
361	Collection Sewers - Gravity	45		2.22%
362	Special Collecting Structures	40		2.50%
363	Services to Customers	38		2.63%
364	Flow Measuring Devices	5		20.00%
365	Flow Measuring Installations	38		2.63%
366	Reuse Services			
367	Reuse Meters and Meter Installations			
370	Receiving Wells	30		3.33%
371	Pumping Equipment	18		5.56%
375	Reuse Transmission and Distribution System			
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers	35		2.86%
382	Outfall Sewer Lines			
389	Other Plant Miscellaneous Equipment	18		5.56%
390	Office Furniture and Equipment	15		6.67%
391	Transportation Equipment	6		16.67%
392	Stores Equipment	18		5.56%
393	Tools, Shop and Garage Equipment	16		6.25%
394	Laboratory Equipment			
395	Power Operated Equipment	12		8.33%
396	Communication Equipment	10		10.00%
397	Miscellaneous Equipment	15		6.67%
398	Other Tangible Plant	10		10.00%
351 & 352	Organization & Franchise Wastewater Plant Composite Depreciation Rate *	40 N/A		2.50% N/A

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

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
(a)		\$ 15,938	\$ 2,173	\$	\$ 18,111
354	Structures and Improvements				
355	Power Generation Equipment	90,273	7,575		97,848
360	Collection Sewers - Force	112,278	5,551		117,829
361	Collection Sewers - Gravity	455	33		488
362	Special Collecting Structures	575	45		620
363	Services to Customers	5,685	869		6,554
364	Flow Measuring Devices	1,175	52		1,227
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells	33,306	2,315		35,621
371	Pumping Equipment	90,134	12,920		103,054
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	295,376	37,720		333,096
381	Plant Sewers	1,464	101		1,565
382	Outfall Sewer Lines				
389	Other Plant Miscellaneous Equipment	5,677	542		6,219
390	Office Furniture and Equipment	24,114	1,784		25,898
391	Transportation Equipment	11,944	10,372		22,316
392	Stores Equipment	1,099	89		1,188
393	Tools, Shop and Garage Equipment	8,070	1,699		9,769
394	Laboratory Equipment				
395	Power Operated Equipment	2,757	602		3,359
396	Communication Equipment	10,494	595		11,089
397	Miscellaneous Equipment	6,086	420		6,506
398	Other Tangible Plant	11,456	1,994		13,450
351 & 352	Organization & Franchises	2,058	317		2,375
	Total Depreciable Wastewater Plant in Service	\$ 730,414	\$ 87,768	\$	\$ 818,182

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

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i)	BALANCE AT END OF YEAR (c+f-j) (k)
(a)	(b)					
354	Structures and Improvements	\$	\$	\$	\$	\$ 18,111
355	Power Generation Equipment					
360	Collection Sewers - Force					97,848
361	Collection Sewers - Gravity					117,829
362	Special Collecting Structures					488
363	Services to Customers					620
364	Flow Measuring Devices					6,554
365	Flow Measuring Installations					1,227
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					35,621
371	Pumping Equipment					103,054
375	Reuse Transmission and Distribution System					
380	Treatment and Disposal Equipment					333,096
381	Plant Sewers					1,565
382	Outfall Sewer Lines					
389	Other Plant Miscellaneous Equipment					6,219
390	Office Furniture and Equipment	10,816				15,082
391	Transportation Equipment					22,316
392	Stores Equipment					1,188
393	Tools, Shop and Garage Equipment	9,769				- 0 -
394	Laboratory Equipment					
395	Power Operated Equipment					3,359
396	Communication Equipment	9,730				1,359
397	Miscellaneous Equipment					6,506
398	Other Tangible Plant					13,450
351 & 352	Organization & Franchise					2,375
	Total Depreciable Wastewater Plant in Service	\$ 30,315	\$	\$	\$	\$ 787,867

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

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

SYSTEM NAME / COUNTY : Highlands

WASTEWATER CIAC 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)	AMOUNT (d)
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ _____

ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 482,066
Debits during the year:	
Accruals charged to Account 272	\$ 59,007
Other debits (specify) :	_____
_____	_____
Total debits	\$ 59,007
Credits during the year (specify) :	\$ _____
_____	_____
Total credits	\$ _____
Balance end of year	\$ 541,073

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation
SYSTEM NAME / COUNTY: Highlands

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
WASTEWATER SALES				
521.1	Flat Rate Revenues: 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			_____
521	Total Flat Rate Revenues			\$ _____
522.1	Measured Revenues: Residential Revenues	1,197	1,216	273,053
522.2	Commercial Revenues	132	133	247,529
522.3	Industrial Revenues			_____
522.4	Revenues From Public Authorities			_____
522.5	Multiple Family Dwelling Revenues	13	13	31,305
522	Total Measured Revenues	1,342	1,362	\$ 551,887
523	Revenues From Public Authorities			_____
524	Revenues From Other Systems			_____
525	Interdepartmental Revenues			_____
Total Wastewater Sales		1,342	1,362	\$ 551,887
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ _____
531	Sale of Sludge			_____
532	Forfeited Discounts			_____
534	Rents From Wastewater Property			_____
535	Interdepartmental Rents			_____
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			5,002
Total Other Wastewater Revenues				\$ 5,002

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 19,364	\$	\$	\$	\$	\$ 12,773	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	141,005					74,379	
704	Employee Pensions and Benefits	2,536						
710	Purchased Sewage Treatment				19,222		25,400	
711	Sludge Removal Expense	25,400					28,628	
715	Purchased Power	52,170						
716	Fuel for Power Purchased							
718	Chemicals	27,275			91		27,184	
720	Materials and Supplies	30,116		157	49		198	
731	Contractual Services-Engineering	4,000					3,500	
732	Contractual Services - Accounting	13,700						
733	Contractual Services - Legal	5,225						
734	Contractual Services - Mgt. Fees							
735	Contractual Services - Testing							
736	Contractual Services - Other	73,208		3,756	870		29,623	5,155
741	Rental of Building/Real Property	14,857						
742	Rental of Equipment	1,409					43	
750	Transportation Expenses	17,014						
756	Insurance - Vehicle	6,623						
757	Insurance - General Liability							
758	Insurance - Workman's Comp.	5,170						
759	Insurance - Other	16,576						
760	Advertising Expense	671						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp.-Other							
770	Bad Debt Expense	1,005						
775	Miscellaneous Expenses	3,639						
Total Wastewater Utility Expenses		\$ 460,963	\$	\$ 3,913	\$ 20,232	\$ 10,574	\$ 201,728	\$ 14,136

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME	.7 CUSTOMER ACCOUNTS EXPENSE (f)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	\$ 6,591	\$	\$	\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders		66,626				
704	Employee Pensions and Benefits		2,536				
710	Purchased Sewage Treatment						
711	Sludge Removal Expense		4,320				
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies		17,185				
731	Contractual Services-Engineering		500				
732	Contractual Services - Accounting		13,700				
733	Contractual Services - Legal		5,225				
734	Contractual Services - Mgt. Fees						
735	Contractual Services - Testing						
736	Contractual Services - Other		26,776				
741	Rental of Building/Real Property		14,857				
742	Rental of Equipment		1,366				
750	Transportation Expenses		17,014				
756	Insurance - Vehicle		6,623				
757	Insurance - General Liability						
758	Insurance - Workman's Comp.		5,170				
759	Insurance - Other		16,576				
760	Advertising Expense		671				
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp.-Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses		3,639				
	Total Wastewater Utility Expenses	\$ 1,005	\$ 209,375	\$	\$	\$	\$

S-10(b)
GROUP _____

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	1,216	1,216.00
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5	21	52.50
1 1/2"	Displacement or Turbine	5.0	10	50.00
2"	Displacement, Compound or Turbine	8.0	19	152.00
3"	Displacement	15.0	2	30.00
3"	Compound	16.0	3	48.00
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	3	75.00
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
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 Wastewater System Meter Equivalents				<u>1,623.50</u>

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

$$30,800 \div 1,206.50 \div 365 = .0699 \text{ ERC's}$$

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - Brunners

WASTEWATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0150 MGD		
Basis of Permit Capacity (1)	0.0150 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.015 MGD		
Average Daily Flow	.0064 MGD		
Total Gallons of Wastewater Treated	2.682 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)
- (2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - Brunners

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0150 MGD		
Basis of Permit Capacity (1)	0.0150 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.015 MGD		
Average Daily Flow	.0064 MGD		
Total Gallons of Wastewater Treated	2,5670 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation
 SYSTEM NAME / COUNTY: Highlands - Clearview Plant

WASTEWATER TREATMENT PLANT INFORMATION
 Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0350 MGD		
Basis of Permit Capacity (1)	0.0350 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.0350 MGD		
Average Daily Flow	0.0243 MGD		
Total Gallons of Wastewater Treated	8.977 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

- (1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)
- (2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - Clearview Plant

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.0350 MGD		
Basis of Permit Capacity (1)	0.0350 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.0350 MGD		
Average Daily Flow	0.0243 MGD		
Total Gallons of Wastewater Treated	8.9010 MG		
Method of Effluent Disposal	Percolation 2 Ronds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - South Plant

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.060 MGD		
Basis of Permit Capacity (1)	0.060 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.060 MGD		
Average Daily Flow	0.0676 MGD		
Total Gallons of Wastewater Treated	25.616 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - South Plant

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	0.060 MGD		
Basis of Permit Capacity (1)	0.060 MGD		
Manufacturer	Defiance/Pugh		
Type (2)	Extended Aeration		
Hydraulic Capacity	0.060 MGD		
Average Daily Flow	0.0675 MGD		
Total Gallons of Wastewater Treated	25,1060 MG		
Method of Effluent Disposal	Percolation 2 Ponds		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

YEAR OF REPORT
December 31, 2000

SYSTEM NAME / COUNTY: Highlands

CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS

WATER METER SIZE (a)	TYPE OF WATER METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF WATER METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	1,312	1,312.00
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5	21	52.50
1 1/2"	Displacement or Turbine	5.0	10	50.00
2"	Displacement, Compound or Turbine	8.0	19	152.00
3"	Displacement	15.0	2	30.00
3"	Compound	16.0	3	48.00
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	3	75.00
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
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 Wastewater System Meter Equivalents				<u>1,719.50</u>

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

$$29,486 \div 1,210.50 \div 365 = .067 \text{ ERC's}$$

YEAR OF REPORT
December 31, 2000

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY: Highlands - Western Boulevard

WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	<u>0.20 MGD</u>		
Basis of Permit Capacity (1)	<u>0.20 MGD</u>		
Manufacturer	<u>Defiance/Pugh</u>		
Type (2)	<u>Extended Aeration</u>		
Hydraulic Capacity	<u>0.200 MGD</u>		
Average Daily Flow	<u>0.1311 MGD</u>		
Total Gallons of Wastewater Treated	<u>50.108 MG</u>		
Method of Effluent Disposal	<u>Percolation 2 Ponds</u>		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: Highlands Utilities Corporation

SYSTEM NAME / COUNTY : Highlands

OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs* now being served 6.048
2. Maximum number of ERCs* which can be served 53.57
3. Present system connection capacity (in ERCs*) using existing lines 6.12
4. Future connection capacity (in ERCs*) upon service area buildout 6.12
5. Estimated annual increase in ERCs* 0
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system
None
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? No
If so, when? _____
9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with this requirement? _____
10. When did the company last file a capacity analysis report with the DEP? N/A
11. If the present system does not meet the requirements of DEP rules:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
12. Department of Environmental Protection ID # FLA 014369, FLA 014353, FLA 014394, FLA 014328

* An ERC is determined based on the calculation on S-11.

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**Reconciliation of Revenue to
Regulatory Assessment Fee Revenue
Wastewater Operations**

Company: HIGHLANDS UTILITIES CORPORATION

For the Year Ended December 31, 2000

(a)	(b)	(c)	(d)
Accounts	Gross Wastewater Revenues Per Sch. S-9	Gross Wastewater Revenues Per RAF Return	Difference (b) - (c)
Gross Revenue:			
Total Flat-Rate Revenues (521.1 - 521.6)	\$ _____	\$ _____	\$ _____
Total Measured Revenues (522.1 - 522.5)	551,887	551,887	0
Revenues from Public Authorities (523)	_____	_____	_____
Revenues from Other Systems (524)	_____	_____	_____
Interdepartmental Revenues (525)	_____	_____	_____
Total Other Wastewater Revenues (530 - 536)	5,002	5,002	0
Reclaimed Water Sales (540.1 - 544)	_____	_____	_____
Total Wastewater Operating Revenue	\$ 556,889	\$ 556,889	\$ 0
LESS: Expense for Purchased Wastewater from FPSC-Regulated Utility	_____	_____	_____
Net Wastewater Operating Revenues	\$ 556,889	\$ 556,889	\$ 0

Explanations:

Instructions:

For the current year, reconcile the gross wastewater revenues reported on Schedule S-9 with the gross wastewater revenues reported on the company's regulatory assessment fee return. Explain any differences reported in column (d).