

CLASS "B"

WATER and/or SEWER UTILITIES

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

ANNUAL REPORT

OF

Eagle Ridge Utilities, Inc.

369-S

Certificate Number(s)



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DIVISION OF
REGULATORY AND SERVICE
Do Not Remove from this Office

FOR THE

YEAR ENDED DECEMBER 31, 1997

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

JAMES L. CARLSTEDT, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
BRENDA W. McBARRON, C.P.A.
ROBERT C. NIXON, C.P.A.
TRACY A. RIZZO, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(813) 791-4020
FACSIMILE
(813) 797-3602

March 25, 1998

Officers and Directors
Eagle Ridge Utilities, Inc.

We have compiled the 1997 Annual Report of Eagle Ridge 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 Eagle Ridge 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

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT December 31, 1997
--

UTILITY NAME: Eagle Ridge 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

Eagle Ridge Utilities, Inc.

(Exact Name of Utility)

County: Lee

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

14589 Eagle Ridge Drive S.E.
Fort Myers, Florida 33912

Telephone: (941) 768-0615

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

Robert C. Nixon, CPA
Cronin, Jackson, Nixon and Wilson, CPA's
2560 Gulf-to-Bay Blvd, Suite 200
Clearwater, Florida 34625

Telephone: (813) 791-4020

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

14589 Eagle Ridge Drive S.E.
Fort Myers, Florida 33912

Telephone: (941) 768-0615

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: 04 / 10 / 84

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.	Frederick Quinn	15.83	%
2.	William Maddox	10.00	%
3.	Aldis Landauer	6.77	%
4.	Carl Krauss	6.77	%
5.	Wayne Klein	9.33	%
6.	Ruth A. Patton	6.67	%
7.	David Swor	5.00	%
8.			%
9.			%
10.			%

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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
Frederick Quinn	President	Utility	General Matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson	Accounting & rate matters
Martin S. Freidman	Attorney	Rose, Sundstrom and Bentley	Legal 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: Eagle Ridge 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) The Utility was organized April 10, 1984 to provide sewer service to the Eagle Ridge development. The Utility has experienced customer growth from other developments since its organization.
- (B) Sewer services provided.
- (C) The Utility's goals continue to be the providing of quality sewer service and earning a fair return on the investment in plant in service.
- (D) Sewer service only.
- (E) The projected growth rate is approximately 70 additional ERC's per year.
- (F) Sale of Eagle Ridge Utilities, Inc. to Utilities, Inc. is pending PSC approval. Approval and transfer is anticipated for early 1998.

UTILITY NAME: Eagle Ridge Utilities, Inc.

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/97

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).

Eagle Ridge
Utilities, Inc.

Kolmax, Inc.

The Utility has no parents or subsidiaries. The entities shown above are affiliated only through ownership by certain Utility stockholders.

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997
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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 UTILITY (c)	OFFICERS COMPENSATION (d)
Frederick Quinn	President	20	None
William Maddox	Vice President/Secretary	20	None
Richard Kolb	Vice President/Treasurer	20	None
			\$
			\$
			\$
			\$
			\$
			\$

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)
Frederick Quinn	President	1	None
William Maddox	Vice President/Secretary	1	None
Richard Kolb	Vice President/Treasurer	1	None
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
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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)
Richard Kolb Fred Quinn Bill Maddox	Management, accounting, administration, tax	\$ 80,000	Kolmax, Inc 14589 Eagle Ridge Dr. Ft. Myers, FL 33912

* 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: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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)
Richard Kolb	Developer	Officer	Kolmax, Inc 14589 Eagle Ridge Dr. Fort Myers, FL 33912
William Maddox	Construction	Officer	Maddox Construction Co. Fort Myers, FL
Frederick Quinn	Construction/ Development	Officer	Crowther Roofing Fort Myers, FL

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997
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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: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997
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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
 - computer services
 - engineering & construction services
 - repairing and servicing of equipment
 - material and supplies furnished
 - leasing of structures, land and equipment
 - rental transactions
 - 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)
Kolmax, Inc	Management, accounting, tax, administration	Open	P	80,000

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)
None		\$	\$	\$	\$

UTILITY NAME: Eagle Ridge 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	\$ 2,893
Construction Work In Progress _____		
Plant Acquisition Adjustment _____		
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____		1,002
Contributions In Aid Of Construction (Net) _____		1,796
Net Book Cost _____	\$	\$ 95
REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues _____	\$	\$ 409
Depreciation and Amortization Expense _____	\$	\$ 9
Income Tax Expense _____		13
Taxes Other Than Income _____		21
Other Operating Expenses _____		356
Total Operating Expenses _____	\$	\$ 399
Net Operating Income _____	\$	\$ 10
Other Income _____	\$	\$ 15
Other Income Deductions _____		11
Net Income _____	\$	\$ 14
	BALANCE ERROR (9)	
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____		653
Commercial - Yearly Average _____		7
Industrial - Yearly Average _____		49
Others - Yearly Average _____		
Total _____		709
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _____		105
Average Annual Residential Cost Per 1,000 Gallons _____	\$	\$ 5.34
Average Residential Monthly Bill _____	\$	\$ 33.01
Gross Plant Investment Per Customer _____	\$	\$ 4,080

FINANCIAL

SECTION

UTILITY NAME: Eagle Ridge Utilities, Inc.

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	\$ 2,892,536	\$ 2,876,904
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	(1,002,246)	(890,557)
	Net Plant _____		1,890,290	1,986,347
114-115	Utility Plant Acquisition Adjustments (Net) _____	F-5		
	Other Plant Adjustments (specify) _____			
	Total Net Utility Plant _____		1,890,290	1,986,347
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property _____	F-7		
122	Less: Accumulated Depreciation and Amortization _____			
	Net Nonutility Property _____			
123	Investment in Associated Companies _____	F-8		
124	Utility Investments _____	F-8		
125	Other Investments _____	F-8		
127	Special Funds _____	F-8		
	Total Other Property and Investments _____			
CURRENT AND ACCRUED ASSETS				
131	Cash _____		293,701	365,681
132	Special Deposits _____	F-7		3,836
134	Working Funds _____			
135	Temporary Cash Investments _____		79,134	86,179
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts _____	F-9	19,625	34,220
145	Accounts Receivable from Associated Companies _____	F-10		
146	Notes Receivable from Associated Companies _____	F-10		
151	Materials and Supplies _____			
162	Prepayments _____	F-11	131,497	28,025
171	Accrued Interest and Dividends Receivable _____			
174	Misc. Current and Accrued Assets _____		6,180	730
	Total Current and Accrued Assets _____		530,137	518,671

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
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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	_____	_____
182	Extraordinary Property Losses _____	F-12	_____	_____
186	Misc. Deferred Debits _____	F-11	_____	_____
190	Accumulated Deferred Income Taxes _____		470,653	479,786
	Total Deferred Debits _____		470,653	479,786
	TOTAL ASSETS AND OTHER DEBITS _____		\$ 2,891,080	\$ 2,984,804

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Eagle Ridge Utilities, Inc.

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	300,000	\$ 300,000
204	Preferred Stock Issued _____	F-14		
211	Other Paid-in Capital _____			
212	Discount on Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings _____	F-15	30,750	7 887
216	Reacquired Capital Stock _____		(15,500)	(15,500)
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital _____		315,250	292,387
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 _____		18,518	42,393
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13	40,000	80,684
234	Notes Payable to Associated Co. _____	F-13		
235	Customer Deposits _____		41,476	43,076
236	Accrued Taxes _____	F-17	18,416	16,873
237	Accrued Interest _____	F-18		
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19	1,906	7,796
	Total Current and Accrued Liabilities _____		120,316	190,822

UTILITY NAME: Eagle Ridge 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		
253	Other Deferred Credits (Contributed Taxes) _____		504,564	513,253
255	Accumulated Deferred Investment Tax Credits _____			
	Total Deferred Credits _____		504,564	513,253
	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	2,661,725	2,607,757
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(865,601)	(761,003)
	Total Net C.I.A.C. _____		1,796,124	1,846,754
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		154,826	141,588
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			
283	Accumulated Deferred Income Taxes - Other _____			
	Total Accum. Deferred Income Taxes _____		154,826	141,588
	TOTAL EQUITY CAPITAL AND LIABILITIES _____		\$ 2,891,080	\$ 2,984,804

UTILITY NAME: Eagle Ridge Utilities, Inc.

COMPARATIVE OPERATING INCOME

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 374,953	F-3(b)	\$ 409,243
401	Operating Expenses _____	304,576	F-3(b)	355,887
403	Depreciation Expense _____	9,602	F-6	9,074
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	19,843	F-17	21,489
409.1	Income Taxes _____		F-17	
410.10	Deferred Federal Income Taxes _____	25,902		13,238
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 _____	359,923		399,688
	Utility Operating Income _____	15,030		9,555
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)] _____	15,030		9,555

COMPARATIVE OPERATING INCOME

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ N/A	S-3	\$ 409,243	\$ N/A
W-2 F-6		S-2 F-6	355,887 9,074	
F-6 F-17 F-17		F-6 F-17 F-17	21,489 13,238	
			399,688	
	N/A		9,555	
	\$ N/A		\$ 9,555	\$ N/A

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997

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)]	15,030		9,555
	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	12,309		14,357
420	Allowance for Funds Used During Construction			
421	Nonutility Income	1,431		
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	13,740		14,857
	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	12,191		9,133
411.20	Provision for Deferred Income Taxes - Credit	29,304		(13,720)
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income	41,495		(4,587)
	INTEREST EXPENSE			
427	Interest Expense	3,453	F-18	6,136
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	3,453		6,136
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME	\$ 66,812		\$ 22,863

UTILITY NAME: Eagle Ridge 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	\$ 2,892,536
	Less:			
108.1	Nonused and Useful Plant _____	F-6		1,002,246
110.1	Accumulated Depreciation _____	F-6		
271	Accumulated Amortization _____	F-20		2,661,725
252	Contributions in Aid of Construction _____	F-19		
	Advances for Construction _____			
	Subtotal _____			(771,435)
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21		865,601
	Subtotal _____			94,166
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		44,486
	Working Capital Allowance (3) _____			
	Other (Specify): _____			

	RATE BASE _____		\$ _____	\$ 138,652
	UTILITY OPERATING INCOME _____		\$ _____	\$ 9,555
	ACHIEVED RATE OF RETURN _____		_____ %	6.89 %

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: Eagle Ridge Utilities, Inc.

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	\$ 2,892,536	\$ N/A	\$ 2,892,536
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
	Total Utility Plant	\$	\$ 2,892,536	\$	\$ 2,892,536

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):				
	\$	\$	\$	\$
Total Plant Acquisition Adjs.				
ACCUMULATED AMORTIZATION (115):				
Total Accumulated Amortization				
Net Acquisition Adjustments	\$ N/A	\$ N/A	\$ N/A	\$ N/A

UTILITY NAME: Eagle Ridge 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	\$ 890,557	\$ N/A	\$ 890,557
Credits during year:				
Accruals charged:				
to Account 108		113,672		113,672
Accruals charged other accounts (specify)				
Salvage				
Other Credits (specify)				
Total credits		113,672		113,672
Debits during year:				
Book cost of plant retired		1,983		1,983
Cost of removal				
Other debits (specify)				
Total debits		1,983		1,983
Balance end of year	\$	\$ 1,002,246	\$ N/A	\$ 1,002,246

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: Eagle Ridge 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)
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
Total Nonutility Property _____	\$ _____	\$ _____	\$ _____	\$ N/A

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: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997
--

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/> Total Investment In Associated Companies _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
UTILITY INVESTMENTS (ACCT. 124): N/A <hr/> <hr/> <hr/> <hr/> Total Utility Investments _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
OTHER INVESTMENTS (ACCT. 125): N/A <hr/> <hr/> <hr/> <hr/> Total Other Investments _____	\$ _____ _____ _____ _____	\$ _____ _____ _____ _____
SPECIAL FUNDS (ACCTS. 126 & 127) N/A <hr/> <hr/> <hr/> <hr/> Total Special Funds _____	_____ _____ _____ _____	\$ _____ _____ _____ _____

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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 _____	\$ 17,700
Sewer _____	
Other _____	
Total Customer Accounts Receivable _____	17,700
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
Misc accounts receivable _____	\$ 1,925

Total Other Accounts Receivable _____	1,925
NOTES RECEIVABLE (Acct. 144):	
_____	\$ _____

Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	19,625
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Acct. 143):	
Balance First of Year _____ N/A _____	\$ _____
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 _____	
Total Accounts and Notes Receivable - Net _____	\$ 19,625

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT December 31, 1997
--

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Total	\$ NONE

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		\$ NONE

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ _____
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	5,500
Other Prepayments (Specify): Legal and engineering fees _____	125,997
_____	_____
Total Prepayments _____	\$ 131,497

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: Eagle Ridge Utilities, Inc.

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):		
N/A	\$	\$
Total Unamortized Debt Discount and Expense -----	\$ NONE	\$
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: Eagle Ridge 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:					
			%		\$
			%		
			%		
			%		
			%		
Total Account 232 _____					\$ NONE
ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANIES:					
N/A			%		\$
			%		
			%		
			%		
			%		
Total Account 234 _____					\$

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
Due to affiliated company	\$ 40,000
Total _____	\$ 40,000

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

CAPITAL STOCK (ACCTS. 201 and 204)

DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share _____	\$ 162.60	\$ N/A
Shares authorized _____	2,000	
Shares issued and outstanding _____	1,845	
Total par value of stock issued _____	\$ 300,000	
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)	
	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total _____			\$ NONE

UTILITY NAME: Eagle Ridge Utilities, Inc.

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 _____	\$ 7,887
	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 _____	22,863
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 _____	30,750
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	
	Total Retained Earnings _____	\$ 30,750

Notes to Statement of Retained Earnings:

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$	\$ 16,873	\$ N/A	\$ 16,873
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees		18,416		18,416
408.11	Property Taxes		2,725		2,725
408.12	Payroll Taxes				
408.13	Other Taxes & Licenses		348		348
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		21,489		21,489
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees		16,873		16,873
408.11	Property Taxes		2,725		2,725
408.12	Payroll Taxes				
408.13	Other Taxes & Licenses		348		348
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		19,946		19,946
	Balance End of Year	\$ N/A	\$ 18,416	\$ N/A	\$ 18,416

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBT (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:	\$ _____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account No. 237.1	_____	_____	_____	_____	_____
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:	_____	_____	_____	_____	_____
Customer Deposits	_____	427	6,136	6,136	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Account 237.2	_____	_____	6,136	6,136	_____
Total Account 237	\$ NONE	_____	\$ 6,136	\$ 6,136	\$ NONE

**REGULATORY COMMISSION EXPENSE - AMORTIZATION
OF RATE CASE EXPENSE (ACCTS. 666 and 766)**

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

YEAR OF REPORT
December 31, 1997

UTILITY NAME: Eagle Ridge Utilities, Inc.

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Advances from builders for costs of developer agreements	\$ 1,906
Total Miscellaneous Current and Accrued Liabilities -----	\$ 1,906

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)		
N/A	\$		\$	\$	\$
Total -----	\$		\$	\$	\$

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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)
Service availability charges		\$	\$	\$
5/8":	74	692.00		51,208
1":	1	768.00		767
Non-refundable cash advances for construction				1,788
Non-refundable gross-up refunds per Order No. PSC-97-0329-FOF-SU and Order No PSC-97-0647-FOF-SU				205
Total Credits			\$ N/A	\$ 53,968

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	\$	\$ 761,003	\$ N/A	\$ 761,003
Debits during year:				
Accruals charged to Account 272		104,598		104,598
Other debits (specify):				
Total debits		104,598		104,598
Credits during year (specify):				
Total Credits				
Balance end of year	\$	\$ 865,601	\$ N/A	\$ 865,601

UTILITY NAME: Eagle Ridge 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 _____		\$ 22,863
Reconciling items for the year:		
Taxable income not reported on the books:		

Deductions recorded on books not deducted for return:		
Net deferred tax expense		22,371

Income recorded on books not deducted for return:		
Amortization of contributed tax on CIAC		13,720

Deduction on return not charged against book income:		
Depreciation		95,119
Refund of gross up taxes		14,801

Federal tax net income (Loss) _____		\$ (78,406)
Computation of tax: None		

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

YEAR OF REPORT December 31, 1997
--

UTILITY NAME: Eagle Ridge Utilities, Inc.

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 ****

YEAR OF REPORT December 31, 1997
--

UTILITY NAME: Eagle Ridge Utilities, Inc.

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>	\$ _____	\$ _____	\$ _____	\$ _____

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

WATER OPERATING SECTION

Note: This utility is a wastewater only service; therefore, Pages W-1 through W-10 have been omitted from this report.

**SEWER
OPERATION
SECTION**

UTILITY NAME: Eagle Ridge Utilities, Inc.

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization _____	\$ 16,958	\$	\$
352	Franchises _____			
353	Land and Land Rights _____	28,500		
354	Structure and Improvements _____	11,261		
360	Collection Sewers - Force _____			
361	Collection Sewers - Gravity _____	198,198		
362	Special Collecting Structures _____	1,111,049		
363	Services to Customers _____	132,331		
364	Flow Measuring Devices _____			
365	Flow Measuring Installations _____			
370	Receiving Wells _____	90,410	1,490	
371	Pumping Equipment _____			
380	Treatment and Disposal Equipment _____	1,271,385		6,442
381	Plant Sewers _____			
382	Outfall Sewer Lines _____			
389	Other Plant and Miscellaneous Equipment _____	16,812	20,584	
390	Office Furniture and Equipment _____			
391	Transportation Equipment _____			
392	Stores Equipment _____			
393	Tools, Shop and Garage Equipment _____			
394	Laboratory Equipment _____			
395	Power Operated Equipment _____			
396	Communication Equipment _____			
397	Miscellaneous Equipment _____			
398	Other Tangible Plant _____			
	Total Sewer Plant _____	\$ 2,876,904	\$ 22,074	\$ 6,442

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)
\$ 16,958	\$ 16,958				
28,500		\$	\$	\$ 28,500	\$
11,261				11,261	
198,198		198,198			
1,111,049		1,111,049			
132,331		132,331			
91,900			91,900		
1,264,943				1,264,943	
37,396		17,961		19,435	
\$ 2,892,536	\$ 16,958	\$ 1,459,539	\$ 91,900	\$ 1,324,139	\$

UTILITY NAME: Eagle Ridge Utilities, Inc.

SEWER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1	.2
			COLLECTION EXPENSES - OPERATIONS (d)	COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees _____	\$ _____	\$ _____	\$ _____
703	Salaries and Wages - Officers, Directors and Majority Stockholders _____	_____	_____	_____
704	Employee Pensions and Benefits _____	_____	_____	_____
710	Purchased Sewage Treatment _____	_____	_____	_____
711	Sludge Removal Expense _____	23,845	_____	_____
715	Purchased Power _____	29,809	_____	_____
716	Fuel for Power Purchased _____	_____	_____	_____
718	Chemicals _____	18,103	_____	_____
720	Materials and Supplies _____	34,066	_____	_____
731	Contractual Services - Engineering _____	19,206	_____	_____
732	Contractual Services - Accounting _____	25,588	_____	_____
733	Contractual Services - Legal _____	21,883	_____	_____
734	Contractual Services - Management Fees _____	80,000	_____	_____
735	Contractual Services - Other _____	58,994	_____	_____
741	Rental of Building/Real Property _____	1,000	_____	_____
742	Rental of Equipment _____	_____	_____	_____
750	Transportation Expense _____	1,250	_____	_____
756	Insurance - Vehicle _____	_____	_____	_____
757	Insurance - General Liability _____	6,190	_____	_____
758	Insurance - Workmens Compensation _____	_____	_____	_____
759	Insurance - Other _____	_____	_____	_____
760	Advertising Expense _____	_____	_____	_____
766	Regulatory Commission Expenses - Amortization of Rate Case Expense _____	_____	_____	_____
767	Regulatory Commission Expenses Other _____	_____	_____	_____
770	Bad Debt Expense _____	_____	_____	_____
775	Miscellaneous Expenses _____	35,953	_____	_____
	Total Sewer Utility Expenses _____	\$ 355,887	\$ _____	\$ _____

SEWER EXPENSE ACCOUNT MATRIX

.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
		23,845			
		29,809			
		18,103			
10,432			23,122		512
					19,206
					25,588
					21,883
		20,000	20,000		40,000
		58,994			
					1,000
					1,250
					6,190
		28,744			7,209
\$ 10,432	\$ _____	\$ 179,495	\$ 43,122	\$ _____	\$ 122,838

UTILITY NAME: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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 _____	609	696	258,679
522.2	Commercial Revenues _____	7	7	5,014
522.3	Industrial Revenues _____			_____
522.4	Revenues From Public Authorities _____			_____
522.5	Multiple Family Dwelling Revenues _____	48	49	143,300
	Total Measured Revenues _____	664	752	406,993
523	Revenues From Public Authorities _____			_____
524	Revenues From Other Systems _____			_____
525	Interdepartmental Revenues _____			_____
	Totals _____	664	752	406,993
	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 _____			2,250
	Total Other Sewer Revenues _____			2,250
	Total Sewer Operating Revenues _____			\$ 409,243

UTILITY NAME: Eagle Ridge 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	40	%	2.50 %
352	Franchises		%	%
354	Structure and Improvements	40	%	2.50 %
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	45	%	2.22 %
362	Special Collecting Structures		%	%
363	Services to Customers	38	%	2.63 %
364	Flow Measuring Devices		%	%
365	Flow Measuring Installations		%	%
370	Receiving Wells	30	%	3.33 %
371	Pumping Equipment		%	%
380	Treatment and Disposal Equipment	18	%	5.56 %
381	Plant Sewers		%	%
382	Outfall Sewer Lines		%	%
389	Other Plant and Miscellaneous Equipment	18	%	5.56 %
390	Office Furniture and Equipment		%	%
391	Transportation Equipment		%	%
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment		%	%
394	Laboratory Equipment		%	%
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment		%	%
398	Other Tangible Plant		%	%
	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: Eagle Ridge Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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 _____	\$ 5,300	\$ 424	\$	\$ 424
352	Franchises _____				
354	Structure and Improvements _____	655	282		282
360	Collection Sewers - Force _____	61,533	6,600		6,600
361	Collection Sewers - Gravity _____	224,174	24,665		24,665
362	Special Collecting Structures _____				
363	Services to Customers _____	28,268	3,480		3,480
364	Flow Measuring Devices _____				
365	Flow Measuring Installations _____				
370	Receiving Wells _____	202	3,036		3,036
371	Pumping Equipment _____				
380	Treatment and Disposal Equipment _____	567,006	70,331		70,331
381	Plant Sewers _____				
382	Outfall Sewer Lines _____				
389	Other Plant and Miscellaneous Equipment _____	3,419	4,854		4,854
390	Office Furniture and Equipment _____				
391	Transportation Equipment _____				
392	Stores Equipment _____				
393	Tools, Shop and Garage Equipment _____				
394	Laboratory Equipment _____				
395	Power Operated Equipment _____				
396	Communication Equipment _____				
397	Miscellaneous Equipment _____				
398	Other Tangible Plant _____				
	Total Depreciable Sewer Plant In Service _____	\$ 890,557	\$ 113,672	\$	\$ 113,672

* 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)
\$	\$	\$	\$	\$	\$ 5,724
					937
					68,133
					248,839
					31,748
					3,238
(1,983)				(1,983)	635,354
					8,273
\$ (1,983)	\$	\$	\$	\$ (1,983)	\$ 1,002,246

UTILITY NAME: Eagle Ridge Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

PUMPING EQUIPMENT

	Georgian Ba					
Lift station number	1	2	3	4	5	6
Make or type and nameplate data of pump 2 pumps each lift station which are the same	Flygt CP3127 #461IMP	Flygt CP3102 #433IMP	Flygt CP3102 #433IMP	Flygt CP3085 #438IMP	Flygt CP3085 #436IMP	Flygt CP3127 #461IMP
Year installed	1989	1984	1984	1986	1984	1987
Rated capacity	350	220	175	60	100	320
Size	4"	4"	4"	4"	4"	4"
Power:						
Electric	230V-30A	230V-10A	230V-10A	230V-10A	230V-30A	230V-10A
Mechanical						
Nameplate data of motor	10 HP	4 HP	4 HP	2.3 HP	2.3 HP	7.5 HP

	Sovereign Dr.	Vinings	Eagle Lake	Colony III	Eagle Ridge Lakes	
Lift station number	7	8	9	10	11	
Make or type and nameplate data of pump 2 pumps each lift station which are the same	Flygt CP3127 #433IMP	Flygt CP3127 #483IMP	Flygt CP3102 #436IMP	Flygt CP3127 #433IMP	Flygt CP3127 #462IMP	
Year installed	1988	1990	1992	1995	1997	
Rated capacity	307	200	293	200	334	
Size	4"	4"	4"	4"	4"	
Power:						
Electric	230V-30A	230V-10A	230V-10A	230V-10A	230V-10A	
Mechanical						
Nameplate data of motor	10 HP	10 HP	4 HP	7.6 HP	7.6 HP	

SERVICE CONNECTIONS

Size (inches)	4" & 6"					
Type (PVC, VCP, etc)	PVC					
Average length	30'					
Number of active service connections	752					
Beginning of year	664					
Added during year	88					
Retired during year						
End of year	752					
Give full particulars concerning inactive connections						

UTILITY NAME: Eagle Ridge Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	8"	_____	_____	_____	_____	_____
Type of main _____	PVC	_____	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	62,005	_____	_____	_____	_____	_____
Added during year _____	2,044	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	64,049	_____	_____	_____	_____	_____
MANHOLES:						
Size (inches) _____	4'	_____	_____	_____	_____	_____
(Brick Concrete) _____	Concrete	_____	_____	_____	_____	_____
Number:						
Beginning of year _____	150	_____	_____	_____	_____	_____
Added during year _____	9	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	159	_____	_____	_____	_____	_____

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	6"	4"	_____	_____	_____	_____
Type of main _____	PVC	PVC	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	10,646	14,768	_____	_____	_____	_____
Added during year _____	_____	300	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	10,646	15,068	_____	_____	_____	_____

UTILITY NAME: Eagle Ridge Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT December 31, 1997
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COLLECTING MAINS

COLLECTING MAINS:						
Size (inches)_____						
Type of main_____						
Length of main (nearest foot):						
Beginning of year_____						
Added during year_____						
Retired during year_____						
End of year_____						
MANHOLES:						
Size (inches)_____						
Type_____						
Number:						
Beginning of year_____						
Added during year_____						
Retired during year_____						
End of year_____						

FORCE MAINS

FORCE MAINS:						
Size (inches)_____						
Type of main_____						
Length of main (nearest foot):						
Beginning of year_____						
Added during year_____						
Retired during year_____						
End of year_____						

YEAR OF REPORT
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UTILITY NAME: Eagle Ridge Utilities, Inc.
SYSTEM NAME: Same

TREATMENT PLANT

Manufacturer _____	American Environmental	Davco	
Type _____	Contact Stabilization	Contact Stabilization	
"Steel" or "Concrete" _____	Ring Steel	Ring Steel	
Total Capacity _____	0.2215 MGD	0.2215 MGD	
Average Daily Flow _____	204,926	Combined	
Effluent Disposal _____	Golf Course Irrigation	Golf Course Irrigation	
Total Gallons of Sewage Treated _____	74,798,000	Combined	

MASTER LIFT STATION PUMPS

Manufacturer _____	See Pump No. 1, Page S-6				
Ca (GPM) _____					
Motor: Mfr. _____					
Horsepower _____					
Power (Electric or Mechanical) _____					

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. 745
- Estimated annual increase in ERC's * . Approximatly 100
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. DO36-218126
- State any plans and estimated completion dates for any enlargements of this system. None
- If the present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - Exaluation 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? N/A
 - Do they concur? _____
 - When will construction begin? _____
- In what percent of your certificated area have service connections been installed? 87 %

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

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

Note (1): Plant is permitted and designed to operate in Extended Air or Contact Stabilization mode via valves and piping controls. Plant is currently being operated in Extended Air Mode.

UTILITY NAME: Eagle Ridge 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	696	696
3/4"	Displacement	1.5	7	11
1"	Displacement	2.5	17	43
1 1/2"	Displacement or Turbine	5.0	21	105
2"	Displacement, Compound or Turbine	8.0	11	88
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
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 SEWER System Meter Equivalents -----				943

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{74,798,000}{365 \text{ days}} \right) / 275 \text{ gpd} = \underline{\underline{745}}$$

(total gallons treated)