

CLASS "A"

WATER and/or SEWER UTILITIES

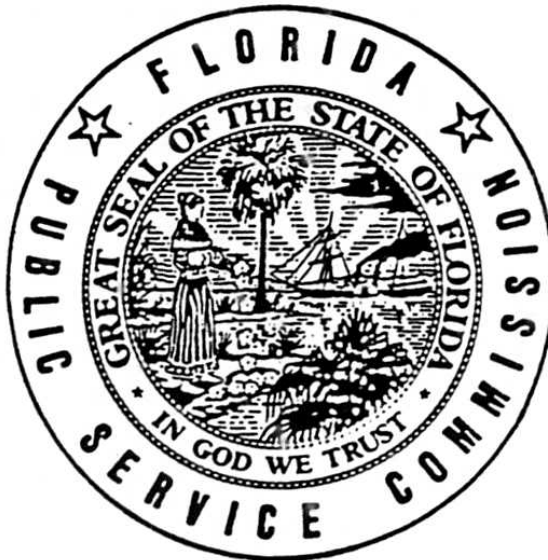
(Gross Revenue of \$750,000 and Over)

ANNUAL REPORT

OF

SU749 36
Utilities, Inc. of Eagle Ridge
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

369-5
Certificate Number(s)



RECEIVED

MAY - 6 1999

Florida Public Service Commission
Division of Water and Wastewater

FOR THE
YEAR ENDED DECEMBER 31, 19 98

ORIGINAL COPY
WATER AND SEWER
Do Not Remove from this Office

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Sewer Utilities.
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 trebly 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 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. The report should be filled out in quadruplicate and the original and 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 Sewer
101 East Gaines Street
Tallahassee, Florida 32399-0873

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**EXECUTIVE
SUMMARY**

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
DECEMBER 31, 1998

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

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

YES NO
(X) () 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO
(X) () 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO
(X) () 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 NO
(X) () 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.
() () () () _____ *

(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

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE
(Exact Name of Utility)

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

2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

JOHN S HAYNES
2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE
2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

ARTHUR ANDERSEN LLP

Date of original organization of the utility: 6/20/95

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

Individual Partnership Sub S Corp 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.:

<u>Name</u>	<u>Percent Ownership</u>
Utilities Inc.	100%

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OR REPORT
DECEMBER 31, 1998

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
CARL J. WENZ	V.P. REGULATORY MATTERS		RATE CASE
ANDREW N DOPUCH	SECRETARY & VP		RATE CASE
ARTHUR ANDERSEN	AUDITORS		

- (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: UTILITIES, INC. OF EAGLE RIDGE

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. 100% of the stock to this company was acquired by Utilities, Inc. The Company Provides sewer service.
 - B. The Company supplies sewer services only.
 - C. Provide adequate sewerage and disposal services and earn a fair return.
 - D. Sewer division only.
 - E. Anticipated growth
 - F. The stock of this company was purchased by Utilities, Inc. Improvements have been and are still being made to the system.
-

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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

Complete below an organization 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).

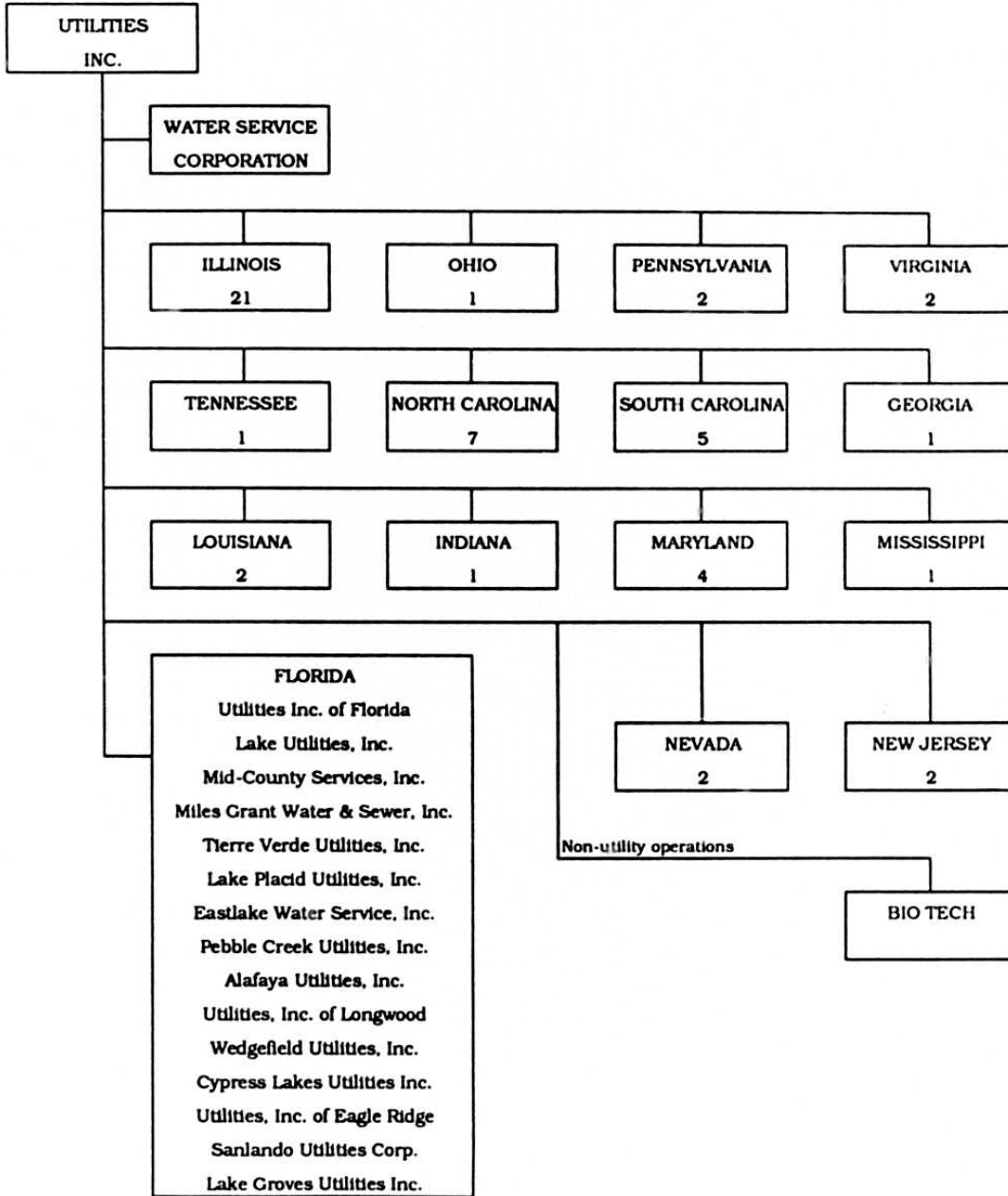
UTILITIES, INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST
SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative
staff.

SEE ATTACHED

Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

NOTE: Within each state except Florida is the number of companies owned.

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)
JAMES L. CAMAREN	CHAIRMAN & CEO	%	\$ NONE
ANDREW N DOPUCH	SECRETARY & VP	%	\$
LAWRENCE N. SCHUMACHER	PRESIDENT	%	\$ NONE
CARL J WENZ	VICE PRESIDENT	%	\$ 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)
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE
			\$ NONE

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)
NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES.		\$	

*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: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)
<p>THE OFFICIALS LISTED ON PAGE E6 HAVE NO OTHER PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION OR CONNECTIONS WITH ANY OTHER BUSINESS OR FINANCIAL ORGANIZATIONS, FIRMS, OR PARTNERSHIPS DURING THE REPORTED YEAR.</p>			

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
NO BUSINESS WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULTING FROM PROVIDING WATER AND/OR SEWER SERVICE.	\$		\$		\$	

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)
WATER SERVICE CORP	Operators Salaries & Benefits	Continuous	P	\$ 92,357
	Insurance	Continuous	P	5,134
	Computer Operations	Continuous	P	53
	Supplies & Postage	Continuous	P	3,230
	Outside Services	Continuous	P	2,052
	Management Services	Continuous	P	14,261

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

- | | |
|--|---|
| <p>1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.</p> <p>2. Below are examples of some types of transactions to include:</p> <ul style="list-style-type: none"> - 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. | <p>3. The columnar instructions follow:</p> <ul style="list-style-type: none"> (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)
NO ASSETS WERE SOLD, PURCHASED OR TRANSFERRED WITH A RELATED PARTY DURING THE FISCAL YEAR ENDED DECEMBER 31, 1998		\$	\$	\$	\$

YEAR OF REPORT
DECEMBER 31, 1998

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

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 _ _ _	\$ -	\$ 3,055
Construction Work In Progress		125
Plant Acquisition Adjustment		
Plant Held For Future Use _ _		
Materials and Supplies		
Less:		
Accumulated Depreciation and Accumulated Amortization	-	755
Contributions In Aid Of Construction _ (NET)	-	1,870
Net Book Cost _ _ _ _ _	\$ -	\$ 555
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _ _	\$ -	\$ 487
Depreciation and Amortization Expense _ _ _ _ _	\$ -	\$ 46
Income Tax Expense _ _	-	81
Taxes Other Than Income	-	25
Other Operating Expenses	-	236
Total Operating Expenses	\$ -	\$ 387
Net Operating Income _	\$ -	\$ 100
Other Income _ _ _ _ _	\$ -	\$ 13
Other Income Deductions	-	6
Net Income _ _ _ _ _	\$ -	\$ 107
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average	-	1,634
Commercial - Yearly Average	-	-
Industrial - Yearly Average		
Others - Yearly Average _ _ _		
Total _ _ _ _ _	-	1,634
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _ _ _		
Average Annual Residential Cost Per 1,000 Gallons _ _ _	\$	\$
Average Residential Monthly Bill _ _ _ _ _	\$	\$
Gross Plant Investment Per Customer _ _ _ _ _	\$ #DIV/0!	\$ 1,870

FINANCIAL
SECTION

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-105	Utility Plant	F-5	\$ 3,179,951	\$ 0
108-110	Less: Accumulated Depreciation and Amortization	F-6	<u>755,310</u>	<u>0</u>
	Net Plant		\$ <u>2,424,641</u>	\$ <u>0</u>
114-115	Utility Plant Acquisition Adjustments (Net)	F-5	341,814	0
	Other Plant Adj. (Specify)			\$
	Total Net Utility Plant		\$ <u>2,766,455</u>	\$ <u>0</u>
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	Other Special Funds	F-8		
	Total Other Property & Investments		\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 0	\$ 0
132	Special Deposits	F-7	0	0
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-9	16,440	0
145	Accounts Receivable from Associated Companies	F-10		
146	Notes Receivable from Associated Companies	F-10		
151	Material and Supplies			
162	Prepayments	F-11	0	0
171	Accrued Interest and Dividends Receivable		0	0
174	Misc. Current and Accrued Assets		<u>0</u>	<u>0</u>
	Total Current and Accrued Assets		\$ <u>16,440</u>	\$ <u>0</u>

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	0	0
190	Accumulated Deferred Income Taxes		0	0
	Total Deferred Debits		\$ 0	\$ 0
	TOTAL ASSETS AND OTHER DEBITS		\$ 2,782,895	\$ 0

NOTES TO THE BALANCE SHEET

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

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	\$ 1,000	\$ -
204	Preferred Stock Issued	F-14		
211	Other Paid-In Capital		459,875	-
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-15	106,507	-
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
	Total Equity Capital		\$ 567,382	\$ 0
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		\$ 2,438	\$ -
232	Notes Payable	F-13		
233	Accounts Payable to Associated Co.	F-13	279,483	-
234	Notes Payable to Associated Co.	F-13		
235	Customer Deposits		43,126	-
236	Accrued Taxes	F-17	13,965	-
237	Accrued Interest	F-18	3,343	-
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-19		
	Total Current and Accrued Liabilities		\$ 342,355	\$ 0

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-12	\$	\$
252	Advances for Construction	F-19		
253	Other Deferred Credits		0	0
255	Accumulated Deferred Investment Tax Credits			
	Total Deferred Credits		\$ 0	\$ 0
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	\$ 2,500,293	\$ 0
272	Accumulated Amortization of Contri- butions In Aid of Construction	F-21	630,270	0
	Total Net C.I.A.C.		\$ 1,870,023	\$ 0
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 2,111	\$ 0
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other		1,024	0
	Total Accum. Deferred Income Taxes		\$ 3,135	\$ 0
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,782,895	\$ 0

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)

UTILITY OPERATING INCOME				
400	Operating Revenues	\$ 0	F-3(b)	\$ 487,101
401	Operating Expenses	\$ 0	F-3(b)	\$ 236,179
403	Depreciation Expense	0	F-6	94,335
406	Amortization of Utility Plant Acquisition Adjustment	0		14,020
407	Amortization Expense - of CIA	0		(62,589)
408.1	Taxes Other Than Income	0	F-17	24,580
409.1	Income Taxes	0	F-17	78,040
410.10	Deferred Income Taxes	0	F-17	2,623
411.10	Provision for Deferred Income Taxes Credit		F-17	
412.10	Investment Tax Credits Deferred to Future Periods		F-17	
412.11	Investment Tax Credits Restored to Operating Income	0	F-17	0
	Utility Operating Expenses	\$ 0		\$ 387,188
	Utility Operating Income	\$ 0		\$ 99,913
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)]	\$ 0		\$ 99,913

COMPARATIVE OPERATING STATEMENT (Cont'd)

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (i)	OTHER (j)
W-3	\$ -	S-3	\$ 487,101	\$
W-2	\$ -	S-2	\$ 236,179	\$
F-6	-	F-6	31,746	
F-5	-	F-5	14,020	
F-17	-	F-17	24,580	
F-17	-	F-17	78,040	
	-		2,623	
	<u>-</u>		<u>-</u>	<u>-</u>
	\$ <u>-</u>		\$ <u>387,188</u>	\$ <u>-</u>
	\$ <u>-</u>		\$ <u>99,913</u>	\$ <u>-</u>
	\$ <u>-</u>		\$ <u>99,913</u>	\$ <u>-</u>

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

COMPARATIVE OPERATING STATEMENT (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)]	\$ -		\$ 99,913
	OTHER INCOME AND DEDUCTIONS			
415	Revenues From Merchandising, Jobbing and Contract Deductions	\$		\$
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income	-		(2,346)
420	Allowance for Funds Used During Construction	-		15,229
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	\$ -		\$ 12,883
	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		F-17	
411.20	Provision for Deferred Income Taxes - Credit		F-17	
412.20	Investment Tax Credits - Net		F-17	
412.30	Investment Tax Credits Restored to Operating Income		F-17	
	Total Taxes Applicable To Other Income	\$		\$
	INTEREST EXPENSE			
427	Interest Expense	\$ -	F-18	\$ 6,289
428	Amortization Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	\$ -		\$ 6,289
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$		\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items	\$		\$
	NET INCOME	\$ -		\$ 106,507

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

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	\$ -	3,179,951
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-6	-	744,611
110	Accumulated Amortization	F-6	-	10,699
271	Contributions In Aid of Construction	F-20	-	2,500,293
252	Advances for Construction	F-19	-	-
	Subtotal		\$ -	(75,652)
	Additions:			
272	Accumulated Amortization of Contributions In Aid of Construction	F-21	-	630,270
	Subtotal		\$ -	554,618
	Plus or Minus:			
114	Acquisition Adjustments (2) (net)	F-5	-	341,814
115	Accumulated Amortization of Acquisition Adjustments (2)	F-5	-	29,522
	Working Capital Allowance (3)		-	-
	Other (Specify):		-	-
	RATE BASE		\$ -	925,954
	UTILITY OPERATING INCOME		\$ -	99,913
	ACHIEVED RATE OF RETURN		0.00%	10.79%

NOTES :

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using the Balance Sheet Method, beginning-year end average.

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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	\$ -	\$ 3,055,321	\$	\$ 3,055,321
102	Utility Plant Leased to Others	0	0	0	0
103	Property Held for Future Use	0	0	0	0
104	Utility Plant Purchased or Sold	0	0	0	0
105	Construction Work In Progress	0	124,630	0	124,630
	Total Utility Plant	\$ -	\$ 3,179,951	\$	\$ 3,179,951

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)	(FASB book purposes only)		OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
	WATER (b)	SEWER (c)		
ACQUISITION ADJUSTMENTS (114):				
Beginning of year	\$ 0	0		0
Acquisition Entry	0	355,834	0	355,834
Total Plant Acquisition Adjs.	\$ 0	\$ 355,834	\$ 0	\$ 355,834
ACCUMULATED AMORTIZATION (115):				
Accruals charged during year	\$ 0	\$ (14,020)	\$	\$ (14,020)
Total Accumulated Amortization	\$ 0	\$ (14,020)	\$ 0	\$ (14,020)
Net Acquisition Adjustments	\$ 0	\$ 341,814	\$	\$ 341,814

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ -	\$ -	\$ -	\$ -
Credit during year:				
Accruals charged to Account 108	\$ 0	\$ 86,431	\$ -	\$ 86,431
Accruals charged other accounts (specify)				
Acquisition entry	0	688,395		688,395
Salvage				
Other credits (specify)				
Total credits	\$ 0	\$ 774,826	\$ 0	\$ 774,826
Debits during year:				
Book cost of plant retired	\$ 0	\$ 30,215	\$ -	\$ 30,215
Cost of removal	0	0		0
Other debits (specify)	0			0
Adj to allocation entry		0		0
Total debits	\$ 0	\$ 30,215	\$ 0	\$ 30,215
Balance end of year	\$ 0	\$ 744,611	\$ 0	\$ 744,611

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ -	\$ -	\$ -	\$ -
Credit during year:				
Accruals charged to Account 110	\$ -	\$ 7,904	\$ -	\$ 7,904
Other credits (specify)				
Change in asset status---	-	-	-	-
Acquisition entry		2,795		2,795
Total credits	\$ -	\$ 10,699	\$ -	\$ 10,699
Debits during year:				
Book cost of plant retired	\$ -	\$ -	\$ -	\$ -
Other debits (specify)				
Total debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ -	\$ 10,699	\$ -	\$ 10,699

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)
NONE	\$	\$	\$	\$
Total Nonutility Property_ _	\$	\$	\$	\$

SPECIAL DEPOSITS (ACCT. 132)

Report hereunder all special deposits carried in Accounts 132.

DESCRIPTION OF SPECIAL DEPOSITS (a)	ENDING YEAR END BOOK COST (b)
NONE	\$ -
Total Special Deposits_ _	\$ -

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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):		
NONE	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
Total Investment In Associated Companies	\$ - - - - -	\$ - - - - -
UTILITY INVESTMENTS (ACCT. 124):		
NONE	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
Total Utility Investments	\$ - - - - -	\$ - - - - -
OTHER INVESTMENTS (ACCT. 125):		
NONE	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
Total Other Investments	\$ - - - - -	\$ - - - - -
SPECIAL FUNDS (ACCT. 127):		
NONE	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -
	\$ - - - - -	\$ - - - - -

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

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 -----	\$ 0
Sewer -----	16,440
Other -----	
Total Customer Accounts Receivable -----	\$ 16,440
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
-----	\$ -----

Total Other Accounts Receivable -----	0
NOTES RECEIVABLE (Acct. 144):	
-----	\$ -----

Total Notes Receivable -----	0
Total Accounts and Notes Receivable -----	\$ 16,440
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143):	
Balance first of year -----	\$ -----
Add: Provision for uncollectibles 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 -----	\$ 0
Total Accounts and Notes Receivable - Net -----	\$ 16,440

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.

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

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.

DESCRIPTION	INTEREST RATE (b)	TOTAL (c)
		\$
NONE		
Total		\$

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance	\$
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify):	
NONE	0
Total Prepayments	\$ 0

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	\$ -

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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):		
NONE	\$ - - - - -	\$ - - - - -
	- - - - -	- - - - -
	- - - - -	- - - - -
Total Unamortized Debt Discount and Expense	\$ - - - - -	\$ - - - - -
UNAMORTIZED PREMIUM ON DEBT (Acct. 251):		
	\$ - - - - -	\$ - - - - -
	- - - - -	- - - - -
	- - - - -	- - - - -
Total Unamortized Premium on Debt	\$ - - - - -	\$ - - - - -

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
NONE	\$ - - - - -
	- - - - -
	- - - - -
Total Extraordinary Property Losses	\$ - - - - -

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

NOTES PAYABLE (ACCTS. 232 and 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHE (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE:					
<u>NONE</u>					\$
Total Account 232					\$
ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANIES:					
<u>NONE</u>					\$
Total Account 234					\$

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
WATER SERVICE CORP.	\$ 279,483
Total	\$ 279,483

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

CAPITAL STOCK (ACCTS. 201 and 204)

DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share	\$ 1.00	\$
Shares authorized	1,000	
Shares issued and outstanding	1,000	
Total par value of stock issued	\$ 1,000	\$
Dividends declared per share for year	\$	\$

LONG TERM DEBT (ACCT. 224)

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)	
NONE			\$
Total			\$

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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	\$ 0
	Changes to account:	
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits:	\$
	Total Credits	\$
	Debits:	\$
	Total Debits	\$ 0
435	Balance Transferred from Income	\$ 106,507
436	Appropriations of Retained Earnings:	\$
	Total Appropriations of Retained Earnings	\$ 0
	Dividends Declared:	
437	Preferred Stock Dividends Declared	\$
438	Common Stock Dividends Declared	\$
	Total Dividends Declared	\$ 0
	Balance end of year	\$ 106,507
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	\$
	Total Appropriated Retained Earnings	\$ 0
	Total Retained Earnings	\$ 106,507

Notes to Statement of Retained Earnings:

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)	
NONE			\$
Total			\$

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each advance seperately.

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

ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$ 0	\$ 0	\$ -	\$ 0
408.10	Accruals Charged:				
	Utility Regulatory				
408.11	Assessment Fees	\$ 0	\$ 151	\$	\$ 151
408.12	Property Taxes	0	17,324		17,324
408.13	Payroll Taxes	0	7,105		7,105
409.10	Other Taxes & Licenses				0
409.11	Federal Income Taxes	0	78,040		78,040
410.10	State Income Taxes	0	0		0
	Deferred FIT	0	2,623		2,623
	Deferred SIT	0	0		0
	ITC Restored	0	0		0
410.11	Taxes Applicable To Other Income (Accts. 408.2, 409.2, 409.3, 410.2)	\$	\$	\$	\$ 0
	Total Taxes Accrued	\$ 0	\$ 105,243	\$ -	\$ 105,243
	Taxes Paid During Year:				
	Utility Regulatory				
	Assessment Fees	\$ 0	\$ 151	\$	\$ 151
408.11	Property Taxes	0	3,359		3,359
408.12	Payroll Taxes	0	7,105		7,105
408.13	Other Taxes & Licenses	0	0		0
409.10	Federal Income Taxes	0	78,040		78,040
409.11	State Income Taxes	0	0		0
	Deferred FIT	0	2,623		2,623
	Deferred SIT	0	0		0
	ITC Restored	0	0		0
	Taxes Applicable To Other Income (Accts. 408.2, 409.2, 409.3, 410.2)	0	0		0
	Total Taxes Paid	\$ 0	\$ 91,278	\$ -	\$ 91,278
	Balance End of Year	\$ 0	\$ 13,965	\$ 0	\$ 13,965

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBT (a)	INTEREST ACCRUED DURING YEAR			INTEREST PAID DURING YEAR (d)	BALANCE END OF YEAR (f)
	BALANCE BEGINNING OF YEAR (b)	ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - ACCRUED INTEREST ON LONG TERM DEBT:	\$ 0			\$ 0	0
UTILITIES, INC.	0			0	0
INTERCOMPANY INTEREST	0		6,289	6,289	0
	0				0
	0				0
Total Account No. 237.1	\$ 0		6,289	\$ 6,289	0
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:	\$ 0			\$ 0	0
Misc Items	0		3,343		3,343
	0				0
	0				0
	0				0
Total Account No. 237.2	\$ 0		3,343	\$ 0	3,343
Total Account No. 237_ _	\$ 0	\$ 9,632		\$ 6,289	3,343

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)
NONE	\$			
Total	\$			-

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & S OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year _ _ _ _	\$ -	-	-	-
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A") _ _	\$ -	90,652		90,652
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B") _				
Contrib CIA by State for public welfare Acquisition entry		2,409,641		2,409,641
Total Credits _ _ _ _ _	\$ -	2,500,293	-	2,500,293
Less debits charged during the year (All debits charged during the year must be explained below)	\$			
Total Contributions In Aid of Construction _ _ _ _ _	\$ -	2,500,293	-	2,500,293

Explain all debits charged to Account 271 below:

NONE

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

SCHEDULE "A"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED
EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED

DESCRIPTION OF CHARGES (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	WATER (d)	SEWER (e)
Sewer Connection Fees	-	\$ -		\$ -
	131	692		90,652
				-
Total Credits			\$ -	\$ 90,652

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	\$ 0	0	0	0
Dedits during year:				
Accruals charged to Account	\$ 0	62,589	0	62,589
Other debits (specify):				
Acquisition entry	0	567,681	0	567,681
Total debits	\$ 0	630,270	0	630,270
Credits during year (specify)				
Total Credits	\$ 0	0	0	0
Balance end of year	\$ 0	630,270	0	630,270

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

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 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 the group members.

DESCRIPTION (a)	REF (b)	AMOUNT (c)
Net income for the year		\$ 106,507
Reconciling items for the year:		
Taxable income not reported on books:		
TAP FEES		0

Deductions recorded on books not deducted for return:		
Net Change - Deferred Maintenance		0
Net Change - Rate Case		0
Excess Tax Depreciation over Book Depreciation		(6,208)
Current FIT		78,040
Deferred FIT		2,623
Deferred SIT		0
Income recorded on books not included in return:		
Interest During Construction		(1,310)

Deduction on return not charged against book income:		
Organization Exp		(1,507)
Acquisition adjustment		51,384

Federal tax net income		\$ 229,529
Computation of tax:		=====
229,529		
<u> 34%</u>		
78,040		

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

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

SCHEDULE "A"

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$	%	%	%
Preferred Stock		%	%	%
Long Term Debt		%	%	%
Customer Deposits		%	%	%
Tax Credits - Zero Cost		%	0.00 %	%
Tax Credits - Weighted Cost		%	%	%
Deferred Income Taxes		%	%	%
Other (Explain)		%	%	%
Total	\$	100.00 %		

(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:	<u> N/A </u> %
Commission order approving AFUDC rate:	<u> N/A </u>

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

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
Common Equity	\$ None	\$	\$	\$	\$
Preferred Stock					
Long Term Debt					
Customer Deposits					
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost of Capital					
Deferred Income Taxes					
Other (Explain)					
Total	\$	\$	\$	\$	\$

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

**WATER
OPERATION
SECTION**

WATER

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

WATER UTILITY PLANT ACCOUNTS

NONE

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
301	Organization	\$	\$ 0	\$
302	Franchises		0	
303	Land and Land Rights		0	
304	Structures and Improvements		0	
305	Collecting and Impounding Reservoirs		0	
306	Lake, River and Other Intakes		0	
307	Wells and Springs		0	
308	Infiltration Galleries and Tunnels		0	
309	Supply Mains		0	
310	Power Generation Equipment		0	
311	Pumping Equipment		0	
320	Water Treatment Equipment		0	
330	Distribution Reservoirs and Standpipes		0	
331	Transmission and Distribution Mains		0	
333	Services		0	
334	Meters and Meter Installations		0	
335	Hydrants		0	
339	Other Plant and Miscellaneous Equipment		0	
340	Office Furniture and Equip.		0	
341	Transportation Equipment		0	
342	Stores Equipment		0	
343	Tools, Shop and Garage Equip.		0	
344	Laboratory Equipment		0	
345	Power Operated Equipment		0	
346	Communication Equipment		0	
347	Miscellaneous Equipment		0	
348	Other Tangible Plant (from UIF)		0	
	Total Water Plant	\$ 0	\$ 0	\$ 0

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

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

WATER UTILITY EXPENSE ACCOUNTS

NONE

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ -	-	-
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	-	-	-
610	Purchased Water			XXXXXXXXXXXX
615	Purchased Power	-	-	XXXXXXXXXXXX
616	Fuel for Power Purchased			XXXXXXXXXXXX
618	Chemicals	-		
620	Materials and Supplies	-	-	-
631	Contractual Services - Eng.	-		
632	Contractual Services - Acct.	-		
633	Contractual Services - Legal	-		
634	Contractual Services - Management Fees	-		
635	Contractual Services - Other	-		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	-	-	-
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workman's Compensation			
659	Insurance - Other	-	-	-
660	Advertising Expense		XXXXXXXXXXXX	XXXXXXXXXXXX
666	Regulatory Commission Expenses		XXXXXXXXXXXX	XXXXXXXXXXXX
	- Amortization of Rate Case Expense	-	XXXXXXXXXXXX	XXXXXXXXXXXX
667	Regulatory Commission Expenses - Other	-		
670	Bad Debt Expense	-	XXXXXXXXXXXX	XXXXXXXXXXXX
675	Miscellaneous Expenses	-		
	Total Water Utility Expenses	\$ -	\$ -	\$ -

WATER EXPENSE ACCOUNT MATRIX

NONE

	.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
601	s 0	0	0	0		
603						
604	0	0	0	(1)		
610	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
615		XXXXXXXXXXXX		XXXXXXXXXXXX		
616		XXXXXXXXXXXX		XXXXXXXXXXXX		
618	0				XXXXXXXXXXXX	XXXXXXXXXXXX
620			0	0		
631			0			
632						0
633						0
634						
635					0	0
641					0	0
642						
650	0	0	0	0		
656						
657						
658						
659	0	0	0	0		
660	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
666	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
667						0
670	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0	XXXXXXXXXXXX
675					0	0
	s 0	s 0	s 0	s (1)	s 0	s 0

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

NONE

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue			\$
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers		0	\$ 0
461.2	Metered Sales to Commercial Customers			
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	0	0	\$ 0
	Fire Protection Revenue:			
462.1	Public Fire Protection			\$
462.2	Private Fire Protection			
	Total Fire Protection Revenue			\$
464	Other Sales To Public Authorities			\$
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Totals	0	0	\$ 0
	Other Water Revenues:			
469	Guaranteed Revenues			\$
470	Forfeited Discounts			0
471	Miscellaneous Service Revenues			0
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 0
	Total Water Operating Revenues			\$ 0

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

BASIS FOR WATER DEPRECIATION CHARGES

NONE

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)
304	Structures and Improvements _		%	
305	Collecting and Impounding Reservoirs _ _ _ _ _		%	
306	Lake, River and Other Intakes		%	
307	Wells and Springs _ _ _ _ _		%	
308	Infiltration Galleries and Tunnels _ _ _ _ _		%	
309	Supply Mains _ _ _ _ _		%	
310	Power Generation Equipment _ _		%	
311	Pumping Equipment _ _ _ _ _		%	
320	Water Treatment Equipment _ _		%	
330	Distribution Reservoirs and Standpipes _ _ _ _ _		%	
331	Transmission and Distribution Mains _ _ _ _ _		%	
333	Services _ _ _ _ _		%	
334	Meters and Meter Installations		%	
335	Hydrants _ _ _ _ _		%	
339	Other Plant and Miscellaneous Equipment _ _ _ _ _		%	
340	Office Furniture and Equip. _		%	
341	Transportation Equipment _ _ _		%	
342	Stores Equipment _ _ _ _ _		%	
343	Tools, Shop and Garage Equip.		%	
344	Laboratory Equipment _ _ _ _ _		%	
345	Power Operated Equipment _ _ _		%	
346	Communication Equipment _ _ _		%	
347	Miscellaneous Equipment _ _ _ _		%	
348	Other Tangible Plant _ _ _ _ _		%	
	Water 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: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

NONE

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d+e) (f)
304	Structures and Improvements	\$	\$	\$	\$
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equip.				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Depreciable Water Plant In Service	\$ 0	\$ 0	\$ 0	\$ 0

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

The "Other Credits (e)" in 1995 are the result of a change in the policy of recording depreciation expense by specific asset account per Docket # 940917-WS. The balance in "Other Credits (e)" is offset by the change in Accumulated Amortization on Pg F-6.

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

SYSTEM NAME: _____

NONE

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) (b)+(c)-(d) (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	-----	-----	-----	-----	-----
February	-----	-----	-----	-----	-----
March	-----	-----	-----	-----	-----
April	-----	-----	-----	-----	-----
May	-----	-----	-----	-----	-----
June	-----	-----	-----	-----	-----
July	-----	-----	-----	-----	-----
August	-----	-----	-----	-----	-----
September	-----	-----	-----	-----	-----
October	-----	-----	-----	-----	-----
November	-----	-----	-----	-----	-----
December	-----	-----	-----	-----	-----
Total for	=====	=====	=====	=====	=====

If water is purchased for resale, indicate the following:

Vendor _____
Point of delivery _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

UTILITY SYSTEM: _____

NONE

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): _____	
Methods used (sedimentation, chemical, aerated, etc.): _____	
LIME TREATMENT	
Unit rating (GPM): _____	Manufacturer: _____
FILTRATION	
Type and area: <input type="checkbox"/> Pressure ---> Square Feet: _____	
<input type="checkbox"/> Gravity ---> GPM/Square Feet: _____	

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR (in feet)	ADDITIONS	RETIREMENTS	MAINS END OF YEAR (in feet)
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
Total feet of mains	=====	=====	=====	=====	=====

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	-----	-----	-----	-----
1"	-----	-----	-----	-----
2"	-----	-----	-----	-----
3"	-----	-----	-----	-----
4"	-----	-----	-----	-----
6"	-----	-----	-----	-----
8"	-----	-----	-----	-----
Other (Specify): _____	-----	-----	-----	-----
Total meters in service	=====	=====	=====	=====
Total meters in stock	=====	=====	=====	=====
Number of services in use	=====	=====	=====	=====

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

UTILITY SYSTEM: _____

YEAR OF REPORT
DECEMBER 31, 1998

WELLS AND WELL PUMPS

NONE

(a)	(b)	(c)	(d)	(e)
Year Constructed _____				
Types of Well Construction and Casing _____				
Depth of Wells _____				
Diameters of Wells _____				
Pump - GPM _____				
Motor - HP _____				
Yields of Wells in GPD _____				
Auxiliary Power _____				

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic) _____				
Capacity of Tank _____				
Ground or Elevated _____				

HIGH SERVICE PUMPING

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____				
Type _____				
Rated Horsepower _____				
PUMPS				
Manufacturer _____				
Type _____				
Capacity in GPM _____				
Average Number Of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

UTILITY SYSTEM: _____

SOURCE OF SUPPLY

NONE

List for each source of supply:

Gals. per day of source	-----	-----	-----	-----	-----
Type of source	-----	-----	-----	-----	-----

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	-----	-----	-----	-----	-----
Make	-----	-----	-----	-----	-----
Gals. per day capacity	-----	-----	-----	-----	-----
Method of measurement	-----	-----	-----	-----	-----

OTHER WATER SYSTEM INFORMATION

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

- | | | |
|---|-------|-------|
| 1. Present ERC's * that system can efficiently serve. | ----- | ----- |
| 2. Estimated annual increase in ERC's * . | ----- | ----- |
| 3. List fire fighting facilities and capacities. | ----- | ----- |
| 4. List percent of certificated area where service connections are installed (total for each county). | ----- | ----- |
| 5. What is the current need for system upgrading and/or expansion? | ----- | ----- |
| 6. What are plans for future system upgrading and/or expansion? | ----- | ----- |
| 7. Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? | ----- | ----- |
| 8. Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? | ----- | ----- |

* ERC = (Total Gallons Sold / 365 days) / 350 Gallons Per Day

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

UTILITY SYSTEM: _____

NONE

CALCULATION OF THE WATER 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	-----	
3/4"	Displacement	1.5	-----	
1"	Displacement	2.5	-----	
1 1/2"	Displacement or Turbine	5.0	-----	
2"	Displacement, Compound or Turbine	8.0	-----	
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 Water System Meter Equivalents			-----	=====

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

(_____ / 365 days) / 350 gpd = _____
(total gallons sold)

**SEWER
OPERATION
SECTION**

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization	\$ 0	\$ 306,297	\$
352	Franchises	0	31,828	
353	Land and Land Rights	0	28,500	
354	Structures and Improvements	0	2,336	
360	Collection Sewers - Force	0	86,436	
361	Collection Sewers - Gravity	0	1,119,586	1,383
362	Special Collecting Structures	0	0	
363	Services to Customers	0	117,572	
364	Flow Measuring Devices	0	0	
365	Flow Measuring Installations	0	0	
370	Receiving Wells	0	59,545	6,527
371	Pumping Equipment	0	0	
380	Treatment and Disposal Equip.	0	1,283,861	22,305
381	Plant Sewers	0	0	
382	Outfall Sewer Lines	0	0	
389	Other Plant and Miscellaneous Equipment	0	0	
390	Office Furniture and Equip.	0	0	
391	Transportation Equipment	0	27,680	
392	Stores Equipment	0	0	
393	Tools, Shop and Garage Equip.	0	11,137	
394	Laboratory Equipment	0	6,253	
395	Power Operated Equip-Manholes	0	0	
396	Communication Equipment	0	0	
397	Miscellaneous Equipment	0	0	
398	Other Tangible Plant	0	4,505	
	Total Sewer Plant	\$ 0	\$ 3,085,536	\$ 30,215

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

SEWER UTILITY PLANT MATRIX

CURRENT YEAR (f)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 GENERAL PLANT (k)
\$ 306,297	\$ 306,297	\$ XXXXXXXXXXXX	\$ XXXXXXXXXXXX	\$ XXXXXXXXXXXX	\$ XXXXXXXXXXXX
31,828	31,828	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
28,500	XXXXXXXXXXXX	28,500	0	0	0
2,336	XXXXXXXXXXXX	2,336	0	0	0
86,436	XXXXXXXXXXXX	86,436	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
1,118,203	XXXXXXXXXXXX	1,118,203	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
0	XXXXXXXXXXXX	0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
117,572	XXXXXXXXXXXX	117,572	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
0	XXXXXXXXXXXX	0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
0	XXXXXXXXXXXX	0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
53,018	XXXXXXXXXXXX	XXXXXXXXXXXX	53,018	XXXXXXXXXXXX	XXXXXXXXXXXX
0	XXXXXXXXXXXX	XXXXXXXXXXXX	0	XXXXXXXXXXXX	XXXXXXXXXXXX
1,261,556	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	1,261,556	XXXXXXXXXXXX
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0	XXXXXXXXXXXX
0	0	0	0	0	XXXXXXXXXXXX
0	0	0	0	0	XXXXXXXXXXXX
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
27,680	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	27,680
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
11,137	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	11,137
6,253	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	6,253
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
0	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	0
4,505	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	4,505
<u>\$ 3,055,321</u>	<u>\$ 338,125</u>	<u>\$ 1,353,047</u>	<u>\$ 53,018</u>	<u>\$ 1,261,556</u>	<u>\$ 49,575</u>

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

SEWER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees	\$ 69,409	\$ 2,082	\$ 8,329
703	Salaries and Wages - Officers, Directors and Majority Stockholders			
704	Employee Pensions and Benefits	14,248	427	997
710	Purchased Sewage Treatment	1,140	1,140	XXXXXXXXXXXX
711	Sludge Removal Expense	26,857		XXXXXXXXXXXX
715	Purchased Power	29,730		XXXXXXXXXXXX
716	Fuel for Power Purchased			
718	Chemicals	23,740		
720	Materials and Supplies	36,297	1,452	5,808
731	Contractual Services - Eng.	0		
732	Contractual Services - Acct.	628		
733	Contractual Services - Legal	18		
734	Contractual Services - Management Fees	0		
735	Contractual Services - Other	13,727		
742	Rental of Equipment Property			
750	Transportation Expenses	3,342	100	401
756	Insurance - Vehicle			
757	Insurance - General Liability			
758	Insurance - Workman's Compensation			
759	Insurance - Other	5,134		
760	Advertising Expense		XXXXXXXXXXXX	XXXXXXXXXXXX
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	0	XXXXXXXXXXXX	XXXXXXXXXXXX
767	Regulatory Commission Expenses - Other	0		
770	Bad Debt Expense	171	XXXXXXXXXXXX	XXXXXXXXXXXX
775	Miscellaneous Expenses	11,738		
	Total Sewer Utility Expenses	\$ 236,179	\$ 5,201	\$ 15,535

SEWER EXPENSE ACCOUNT MATRIX

.3	.4	.5	.6	.7	.8
PUMPING EXPENSES - OPERATIONS (f)	PUMPING EXPENSES - MAINTENANCE (g)	TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	TREATMENT DISPOSAL EXPENSES - MAINTENANCE (i)	CUSTOMER ACCOUNTS EXPENSE (j)	ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 13,882	\$ 3,470	\$ 33,316	\$ 8,330	\$	\$
1,710 XXXXXXXXXXXX	712 XXXXXXXXXXXX	4,274 XXXXXXXXXXXX	1,710 XXXXXXXXXXXX	4,418 XXXXXXXXXXXX	XXXXXXXXXXXX
7,433	XXXXXXXXXXXX	26,857 22,297	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
8,711	2,178	23,740 14,519	3,629	XXXXXXXXXXXX	XXXXXXXXXXXX
		-			628 18
				6,864	6,863
668	167	1,604	402		
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	5,134
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	-
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	-
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	-
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	171	-
				5,869	5,869
\$ 32,404	\$ 6,527	\$ 126,607	\$ 14,071	\$ 17,322	\$ 18,512

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT DECEMBER 31, 1998

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	-	1,634	\$ 484,812
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	-	1,634	\$ 484,812
522.1	Residential Revenues			
522.2	Commercial Revenues			\$
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			\$
	Total Measured Revenues			\$
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Totals	0	1,634	\$ 484,812
	Other Sewer Revenues:			
530	Guaranteed Revenues			\$
531	Sale Of Sludge			
532	Forfeited Discounts			-
534	Rents From Sewer Property			
535	Interdepartmental Rents			
536	Other Sewer Revenues			2,289
	Total Other Sewer Revenues			\$ 2,289
	Total Sewer Operating Revenues			\$ 487,101

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

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)
354	Structures and Improvements	\$ 0	\$ 0	\$ 1,860	\$ 1,860
360	Collection Sewers - Force	0	2,878	48,533	51,211
361	Collection Sewers - Gravity	0	24,936	176,084	201,020
362	Special collecting Structures	0	0	0	0
363	Services to Customers	0	3,092	21,526	24,618
364	Flow Measuring Devices	0	0	0	0
365	Flow Measuring Installations	0	0	0	0
370	Receiving Wells	0	11,347	(5,103)	6,244
371	Pumping Equipment	0	0	0	0
380	Treatment and Disposal Equip.	0	36,133	426,820	462,953
381	Plant Sewers	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0
389	Other Plant and Miscellaneous	0	0	0	0
331	Equipment	0	0	0	0
390	Office Equipment and Equip.	0	0	0	0
391	Transportation Equipment	0	4,630	10,233	14,863
392	Stores Equipment	0	0	0	0
393	Tools, Shop and Garage Equip.	0	1,098	2,556	3,654
394	Laboratory Equipment	0	574	0	574
395	Power Operated Equip-Manholes	0	0	0	0
396	Communication Equipment	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0
398	Other Tangible Plant	0	53	4,191	4,244
	Alloc from Util. Inc. of Fla.	0	1,690	1,895	3,585
	Total Depreciable Sewer Plant In Service	\$ 0	\$ 86,431	\$ 688,395	\$ 774,826

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

NOTE: The "Other Credits (e)" is recording allocation of UIP and acquisition entry

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)
\$ 0	\$	\$	\$	\$ 0	\$ 1,860
0				0	51,211
1,383				1,383	199,637
0				0	0
0				0	24,618
0				0	0
6,527				6,527	(283)
0				0	0
22,305				22,305	440,648
0				0	0
0				0	0
0				0	0
0				0	0
0			0	0	14,863
0				0	0
0				0	3,654
0				0	574
0				0	0
0				0	0
0			0	0	4,244
0				0	3,585
<u>\$ 30,215</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,215</u>	<u>\$ 744,611</u>

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1988

SYSTEM NAME: UTILITIES, INC. OF EAGLE RIDGE
PUMPING EQUIPMENT

	#1	#2	#3	#4	#5	#6
Lift station number						
Make or type and nameplate data of pump	SUB FLYGT CP 3127	SUB FLYGT CP 3102	SUB FLYGT CP 3102	SUB FLYGT CP 3085	SUB FLYGT CP 3085	SUB FLYGT CP 3127
Year installed	1983	1983	1983	1986	1984	1987
Rated capacity	500 @ 40'	220 @ 30'	175 @ 27'	60 @ 20'	100 @ 20'	320 @ 33'
Size	4"	4"	4"	4"	4"	4"
Power: (Impeller)	461	433	433	438	436	463
Electric	230	230	230	230	230	230
Mechanical						
Nameplate data of motor						

	#7	#8	#9	#10	#11	
Lift station number						
Make or type and nameplate data of pump	SUB FLYGT CP 3127	SUB FLYGT CP 3127	SUB FLYGT CP 3102	SUB FLYGT CP 3102	SUB FLYGT CP 3127	
Year installed	1988	1990	1991	1986	1986	
Rated capacity	307 @ 60'		293 @ 26'	285 @	334 @ 51'	
Size	4"	4"	4"	4"	4"	
Power:	483	483	436	435	462	
Electric	230	230	230	230	230	
Mechanical						
Nameplate data of mo'						

SERVICE CONNECTIONS

Size (inches)	4" & 6"					
Type (PVC, VCP, etc.)	PVC					
Average length	25'					
Number of active service connections						
Beginning of year	795					
Added during year	24					
Retired during year	0					
End of year	819					
Give full particulars concerning inactive connections						

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1988

SYSTEM NAME: UTILITIES, INC. OF EAGLE RIDGE

COLLECTING MAINS

COLLECTING MAINS:							
Size (inches)	---	8"	---	---	---	---	---
Type of main	---	PVC	---	---	---	---	---
Length of main (nearest foot):	---		---	---	---	---	---
Beginning of year	---		---	---	---	---	---
Added during year	---	0	---	---	---	---	---
Retired during year	---	0	---	---	---	---	---
End of year	---		---	---	---	---	---
MANHOLES:							
Size	---	4"	---	---	---	---	---
Type	---		---	---	---	---	---
Number:	---		---	---	---	---	---
Beginning of year	---		---	---	---	---	---
Added during year	---	0	---	---	---	---	---
Retired during year	---	0	---	---	---	---	---
End of year	---		---	---	---	---	---

FORCE MAINS

FORCE MAINS:							
Size (inches)	---	4"	6"	8"	---	---	---
Type of main	---	PVC	PVC	PVC	---	---	---
Length of main (nearest foot):	---				---	---	---
Beginning of year	---				---	---	---
Added during year	---	0	0	0	---	---	---
Retired during year	---	0	0	0	---	---	---
End of year	---				---	---	---

YEAR OF REPORT
DECEMBER 31, 1998

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

SYSTEM NAME: UTILITIES, INC. OF EAGLE RIDGE

TREATMENT PLANT

Manufacturer				
Type	CONCRETE			
"Steel" or "Concrete"				
Total Capacity	443,000 permitted			
Average Daily Flow	.364			
Effluent Disposal	POND/IRRG/REUSE			
Total Gallons of Sewage Treated	77,518,000			

MASTER LIFT STATION PUMPS

Manufacturer	FLYGT			
Capacity	500 @ 40'			
Motor : Mfr.				
Horsepower	10 HP			
Power (Electric or Mechanical)	ELECTRIC			

OTHER SEWER SYSTEM INFORMATION

1. Maximum number of ERC's * which can be served. 2005
 2. Estimated annual increase in ERC's *
 3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Regulation (DER) for systems in operation FLA01449800
 4. State any plans and estimated completion dates for arenlargements of this system. NONE
 5. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following: N/A
 - a. Evaluation of the present plant or plants in regard to meeting the DER rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DER?
 - d. Do they concur?
 - e. When will construction begin?
 6. In what percent of your certificated area have service connections been installed? 41%
- * ERC = (Total Gallons Treated / 365 days) / 275 Gallons Per Day
- Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment

UTILITY NAME: UTILITIES, INC. OF EAGLE RIDGE

YEAR OF REPORT
DECEMBER 31, 1998

SYSTEM NAME: UTILITIES, INC. OF EAGLE RIDGE

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	758	758
3/4"	Displacement	1.5		
1"	Displacement	2.5	15	37.5
1 1/2"	Displacement or Turbine	5.0	31	155
2"	Displacement, Compound or Turbine	8.0	15	120
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				1,071

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\frac{(77,518,000 / 365 \text{ days})}{275 \text{ gpd}} = 772$$

(total gallons treated)