

CLASS "A" AND "B"
WATER AND/OR WASTEWATER UTILITIES

CONSOLIDATED ANNUAL REPORT
OF

— WS007 05
Mr. Gerald S. Allen
Florida Cities Water Company (Barefoot Bay Div)
4837 Swift Road, Suite 100
Sarasota, FL 34231-5157



OFFICIAL COPY
Do Not Remove from this Office

FOR THE
YEAR ENDED DECEMBER 31, 1997

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 truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by 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. Water and wastewater system pages should be grouped together by system, and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system, and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff, should be reported as one system. However, the engineering data must be reported by individual system.
12. One (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original and two copies returned by March 31 of the year following the date of the report. This report should be returned to:
Mr. Charles H. Hill, Director
Division of Water and Wastewater
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873

TABLE OF CONTENTS

Schedule	Page	Schedule	Page
Executive Summary			
Certification	E-1	Directors and Affiliates	E-7
General Information	E-2	Affiliations of Officers & Directors	E-8
Directory of Personnel who Contact The Fla. Public Service Commission	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties	E-10
Parent/Affiliate Organization Chart	E-5	Part I and II	E-11
Compensation of Officers & Directors	E-6	Composite of Statistics	E-11
Business Contracts with Officers,			
Financial Section			
Comparative Balance Sheet - Assets and Other Debits	F-1	Notes Payable	F-12
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Accounts Payable to Associated Companies	F-12
Comparative Operating Statement	F-3	Capital Stock	F-13
Utility Plant	F-4	Long Term Debt	F-13
Nonutility Property	F-4	Statement of Retained Earnings	F-14
Utility Plant Acquisition Adjustments	F-5	Bonds	F-15
Accumulated Depreciation	F-6	Advances from Associated Companies	F-15
Accumulated Amortization	F-6	Accrued Taxes	F-16
Investments and Special Funds	F-7	Accrued Interest	F-17
Accounts and Notes Receivable - Net	F-8	Regulatory Commission Expense - Amortization of Rate Case Expense	F-17
Accounts Receivable from Associated Companies	F-9	Advances for Construction	F-18
Notes Receivable from Associated Co.	F-9	Contributions In Aid of Construction	F-19
Prepayments	F-10	Accum. Amortization of C.I.A.C.	F-20
Miscellaneous Deferred Debits	F-10	Misc. Current & Accrued Liabilities	F-20
Unamortized Debt Discount and Expense and Premium on Debt	F-11	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-21
Extraordinary Property Losses	F-11	AFUDC Calculation	F-22
		AFUDC Capital Structure Adjustment	F-23
		Listing of Individual AFUDC Rates	F-24

**TABLE OF CONTENTS
CONT'D**

Water Operation Section					
Reporting System/Group Number <u> Ft. Myers - Water No. 1 </u>					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
W	Listing of Water System Groups	<u>1</u>	W-7	Basis for Water Depreciation charges	<u>10</u>
W-1	Schedule of Year End Rate Base	<u>2</u>	W-8	Analysis of Entries In Water	
W-2	Water Operating Statement	<u>3</u>		Accumulated Depreciation	<u>11-12</u>
W-3	Utility Plant Accounts	<u>4-5</u>	W-9	Water Utility Expense Accounts	<u>13-14</u>
W-4	Contributions in Aid of Construction	<u>6</u>	W-10	Water Operating Revenue	<u>15</u>
W-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	<u>7</u>	W-11	Water System Information, Water Treatment Facilities, Reservoir	<u>16</u>
W-5	Accum. Amortization of CIAC	<u>7-8</u>	W-12	Pumping and Purchased Water Statistics	<u>17</u>
W-6	Additions to CIAC Received from all Developer or Contractors Agreements	<u>9</u>	W-13	Other Water System Information, Mains	<u>18</u>
			W-14	Meters and Calculation of Meter Equivalents	<u>19</u>
Water Operation Section					
Reporting System/Group Number <u> Barefoot Bay - Water / No. 2 </u>					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
W	Listing of Water System Groups	<u>1</u>	W-7	Basis for Water Depreciation charges	<u>28</u>
W-1	Schedule of Year End Rate Base	<u>20</u>	W-8	Analysis of Entries In Water	
W-2	Water Operating Statement	<u>21</u>		Accumulated Depreciation	<u>29-30</u>
W-3	Utility Plant Accounts	<u>22-23</u>	W-9	Water Utility Expense Accounts	<u>31-32</u>
W-4	Contributions in Aid of Construction	<u>24</u>	W-10	Water Operating Revenue	<u>33</u>
W-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	<u>25</u>	W-11	Water System Information, Water Treatment Facilities, Reservoir	<u>34</u>
W-5	Accum. Amortization of CIAC	<u>25-26</u>	W-12	Pumping and Purchased Water Statistics	<u>35</u>
W-6	Additions to CIAC Received from all Developer or Contractors Agreements	<u>27</u>	W-13	Other Water System Information, Mains	<u>36</u>
			W-14	Meters and Calculation of Meter Equivalents	<u>37</u>

* If more than two reporting systems are included, attach additional Water Table of Contents pages.

**TABLE OF CONTENTS
CONT'D**

Wastewater Operation Section					
Reporting System/Group Number <u>N. Ft. Myers - Wastewater / No. 3</u>					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
S	Listing of wastewater System Groups	<u>1</u>	S-7	Basis for Wastewater Depreciation Charges	<u>10</u>
S-1	Schedule of Year End Rate Base	<u>2</u>	S-8	Analysis of Entries In Wastewater Accumulated Depreciation	<u>11-12</u>
S-2	Wastewater Operating Statement	<u>3</u>	S-9	Wastewater Utility Expense Accounts	<u>13-14</u>
S-3	Utility Plant Accounts	<u>4-5</u>	S-10	Wastewater Operating Revenue	<u>15</u>
S-4	Contributions in Aid of Construction	<u>6</u>	S-11	Wastewater System Information, Service Connections	<u>16</u>
S-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	<u>7</u>	S-12	Collection Mains, Force Mains	<u>17</u>
S-5	Accum. Amortization of CIAC	<u>7-8</u>	S-13	Treatment Plant, Other Wastewater System Information	<u>18</u>
S-6	Additions to CIAC Received from all Developer or Contractor ^c Agreements	<u>9</u>	S-14	Meters and Calculation of Meter Equivalents, Calculation of Wastewater System ERC's	<u>19</u>

Wastewater Operation Section					
Reporting System/Group Number <u>S. Ft. Myers - Wastewater / No. 4</u>					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
S	Listing of wastewater System Groups	<u>1</u>	S-7	Basis for Wastewater Depreciation Charges	<u>28</u>
S-1	Schedule of Year End Rate Base	<u>20</u>	S-8	Analysis of Entries In Wastewater Accumulated Depreciation	<u>29-30</u>
S-2	Wastewater Operating Statement	<u>21</u>	S-9	Wastewater Utility Expense Accounts	<u>31-32</u>
S-3	Utility Plant Accounts	<u>22-23</u>	S-10	Wastewater Operating Revenue	<u>33</u>
S-4	Contributions in Aid of Construction	<u>24</u>	S-11	Wastewater System Information, Service Connections	<u>34</u>
S-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	<u>25</u>	S-12	Collection Mains, Force Mains	<u>35</u>
S-5	Accum. Amortization of CIAC	<u>25-26</u>	S-13	Treatment Plant, Other Wastewater System Information	<u>36</u>
S-6	Additions to CIAC Received from all Developer or Contractors Agreements	<u>27</u>	S-14	Meters and Calculation of Meter Equivalents, Calculation of Wastewater System ERC's	<u>37</u>

* If more than two reporting systems are included, attach additional Wastewater Table of Contents pages.

**TABLE OF CONTENTS
CONT'D**

Wastewater Operation Section					
Reporting System/Group Number <u>Barefoot Bay - Wastewater / No. 5</u>					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
S	Listing of Wastewater System Groups	<u>1</u>	S-7	Basis for Wastewater Depreciation Charges	<u>46</u>
S-1	Schedule of Year End Rate Base	<u>38</u>	S-8	Analysis of Entries In Wastewater Accumulated Depreciation	<u>47-48</u>
S-2	Wastewater Operating Statement	<u>39</u>	S-9	Wastewater Utility Expense Accounts	<u>49-50</u>
S-3	Utility Plant Accounts	<u>40-41</u>	S-10	Wastewater Operating Revenue	<u>51</u>
S-4	Contributions in Aid of Construction	<u>42</u>	S-11	Wastewater System Information, Service Connections	<u>52</u>
S-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	<u>43</u>	S-12	Collection Mains, Force Mains	<u>53</u>
S-5	Accum. Amortization of CIAC	<u>43-44</u>	S-13	Treatment Plant, Other Wastewater System Information	<u>54</u>
S-6	Additions to CIAC Received from all Developer or Contractors Agreements	<u>45</u>	S-14	Meters and Calculation of Meter Equivalents, Calculation of Wastewater System ERC's	<u>55</u>

Wastewater Operation Section					
Reporting System/Group Number _____					
Sch. No.	Schedule	Page No.	Sch. No.	Schedule	Page No.
S	Listing of Wastewater System Groups	—	S-7	Basis for Wastewater Depreciation Charges	—
S-1	Schedule of Year End Rate Base	—	S-8	Analysis of Entries In Wastewater Accumulated Depreciation	—
S-2	Wastewater Operating Statement	—	S-9	Wastewater Utility Expense Accounts	—
S-3	Utility Plant Accounts	—	S-10	Wastewater Operating Revenue	—
S-4	Contributions in Aid of Construction	—	S-11	Wastewater System Information, Service Connections	—
S-5	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	—	S-12	Collection Mains, Force Mains	—
S-5	Accum. Amortization of CIAC	—	S-13	Treatment Plant, Other Wastewater System Information	—
S-6	Additions to CIAC Received from all Developer or Contractors Agreements	—	S-14	Meters and Calculation of Meter Equivalents, Calculation of Wastewater System ERC's	—

* If more than two reporting systems are included, attach additional Wastewater Table of Contents pages.

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: FLORIDA CITIES WATER COMPANY

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

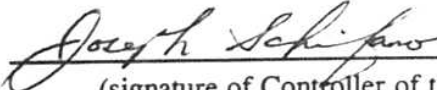
(X)() 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

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



(signature of President of the utility) *

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



(signature of Controller 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

FLORIDA CITIES WATER COMPANY
(Exact Name of Utility)

Brevard and Lee
(County)

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

4837 Swift Rd. Suite 100

Sarasota, FL 34231

Telephone: (941) 925-3088

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

4837 Swift Rd. Suite 100

Sarasota, FL 34231

Telephone: (941) 925-3088

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

4837 Swift Rd., Suite 100

Sarasota, FL 34231

Telephone: (941) 925-3088

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

Ernst & Young LLP, Certified Public Accountants

Date of original organization of the utility: 12 / / 64

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. FCWC Holdings, Inc.	100 %
2.	%
3.	%
4.	%
5.	%
6.	%
7.	%
8.	%
9.	%
10.	%

UTILITY NAME: FLORIDA CITIES WATER COMPANY

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
Gerald S. Allen	Chairman of the Board, and Chief Executive Officer		Various
Michael Murphy	V.P. Chief Financial Officer & Treasurer		Financial and Rate Case
Michael Acosta	V.P. Engineering and Operations		Various
Joseph Schifano	Controller		Financial and Rate Case
Larry Coel	Manager/ Rates and Revenues		Rate Case
K. Gatlin (850) 385-9996	Legal Counsel	Gatlin, Schiefelbein & Cowdery, P.A.	Rate Case

(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: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

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.

The Company was incorporated under the laws of the State of Florida in 1965 to acquire water and wastewater utilities in Florida and since then has engaged in the business of providing water and wastewater service in the suburban areas of Fort Myers (Lee County), Sarasota (Sarasota County), and Tampa (Hillsborough County), Florida.

A 100% owned subsidiary, Avatar Utilities Inc. of Florida was merged into Florida Cities Water Company on January 1, 1987. The merged divisions have been providing water and wastewater service in the subdivisions of Golden Gate (Collier County) and Barefoot Bay (Brevard County), Florida, since 1970.

Total active water customers increased 809 to 32,788 during 1997 and total active wastewater customers increased 458 to 25,143 during 1997. Projected customer growth for the years 1998 through 2002 approximates 675 annually for water and 425 annually for wastewater.

There were no individual major transactions materially effecting operating income and net income in 1997. Transactions in the aggregate having a material effect on operating income and/or net income during 1997 include transactions resulting in annual metered water revenues of \$14,496,991, annual metered wastewater revenues of \$12,688,032, annual salaries and wages of \$3,325,109, annual cost of purchased water of \$2,289,491, annual cost of purchased power of \$1,447,759 and annual interest expense on long and short-term debt of \$2,621,520.

Note: Sarasota, Carrollwood and Golden Gate are regulated by the respective counties and are not included under agency jurisdiction. Golden Gate authority was transferred to Collier County at the end of February 1996.

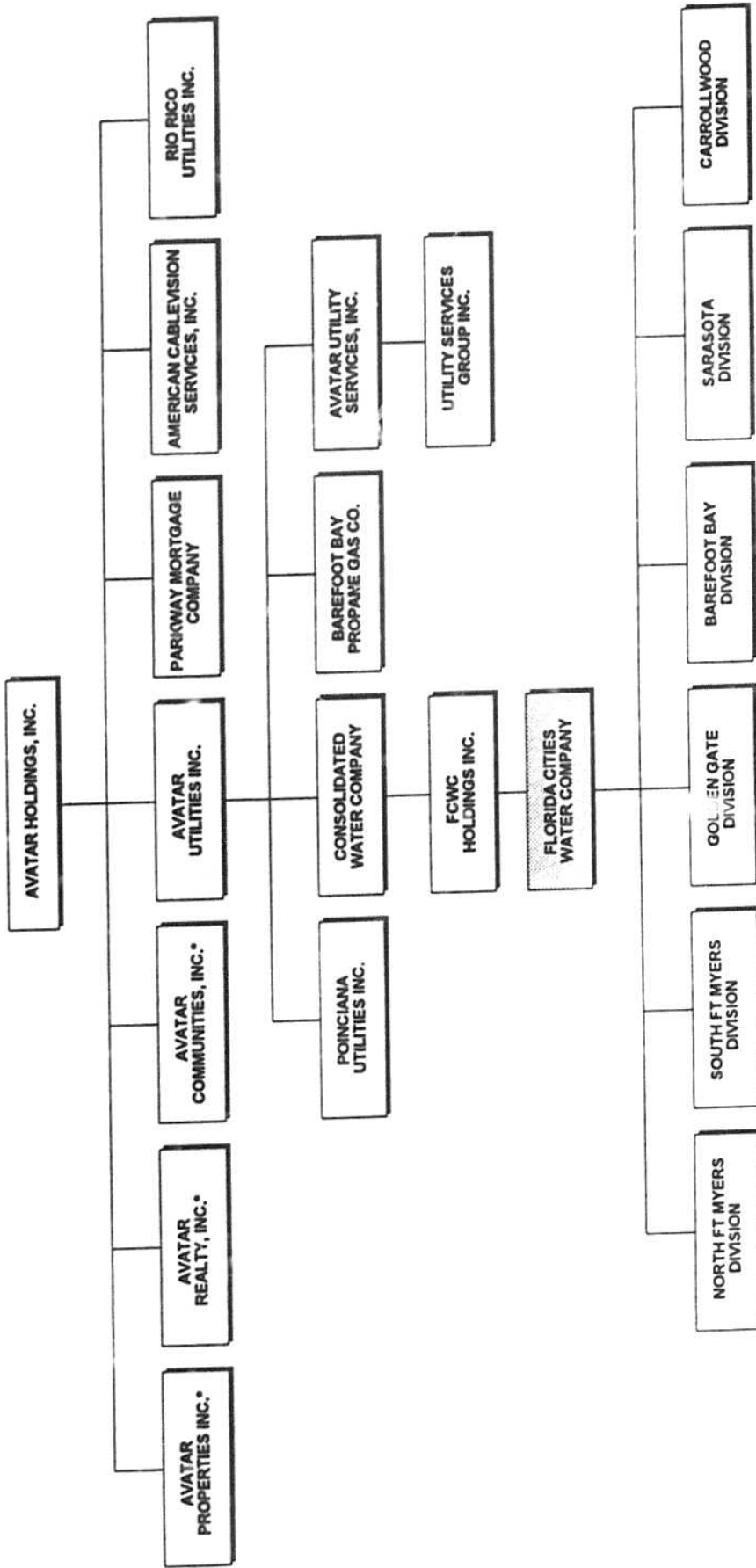
UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

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).

See Attached



* Parent company of other related corporations

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

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)
G.S. Allen	Chairman of the Board, Chief Exec. Officer and President	68.0 %	\$ 93,840
M. E. Murphy	Vice President, Treasurer and Chief Financial Officer	73.6 %	\$ 50,784
M. Acosta	Vice President, Engineering and Operations	81.8 %	\$ 52,597
J. Schifano	Controller, Asst. Secretary and Asst. Treasurer	78.1 %	\$ 41,469
A. J. Chubbuck	Secretary	77.2 %	\$ 19,631

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)
G. S. Allen	Chairman	13	\$ -0-
D. J. Getman	Director	13	\$ -0-
C. L. McNairy	Director	13	\$ -0-
M. Acosta	Director	13	\$ -0-

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

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)
None		\$	

*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: FLORIDA CITIES WATER COMPANY

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)
G. S. Allen	Chairman of the Board, President and Chief Executive Officer " " " " " "	Parent Affiliate " " " " "	Avatar Utilities Inc. Consolidated Water Company FCWC Holdings Inc. Poinciana Utilities Inc. Barefoot Bay Propane Gas Co. Avatar Utility Services, Inc. Utility Services Group Inc.
M. E. Murphy	V.P. & Treasurer V.P., C.F.O. & Treasurer V.P. & Treasurer V.P. & Treasurer V.P. & Treasurer Treasurer Treasurer	Parent Affiliate " " " " "	Avatar Utilities Inc. Poinciana Utilities Inc. Consolidated Water Company FCWC Holdings Inc. Barefoot Bay Propane Gas Co. Avatar Utility Services, Inc. Utility Services Group Inc.
M. Acosta	V.P., Engineering and Operations "	Affiliate "	Poinciana Utilities Inc. Barefoot Bay Propane Gas Co.
J. Schifano	Controller " " "	Affiliate " " "	Poinciana Utilities Inc. Barefoot Bay Propane Gas Co. Avatar Utility Services, Inc. Utility Services Group Inc.
A. J. Chubbuck	Secretary " " " " "	Parent Affiliate " " " " "	Avatar Utilities Inc. Consolidated Water Company FCWC Holdings Inc. Poinciana Utilities Inc. Barefoot Bay Propane Gas Co. Avatar Utility Services, Inc. Utility Services Group Inc.

UTILITY NAME: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

BUSINESSES WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR WASTEWATER 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 wastewater 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: FLORIDA CITIES WATER COMPANY

YEAR OF REPORT
DECEMBER 31, 1997

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

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

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
Avatar Utilities Inc.	Management	Jan-Dec 1997	P	\$ 91,200
Avatar Utilities Inc.	Water Royalties	Jan-Dec 1997	P	\$ 63,209
Avatar Utility Services, Inc.	Data Processing and Meter Reading Services	Jan-Dec 1997	P	\$ 716,139
Avatar Utilities Inc.	Management and Accounting	Jan-Dec 1997	S	\$ 36,128
Poinciana Utilities Inc.	Management, Accounting, Regulatory and Engineering	Jan-Dec 1997	S	\$ 378,669
Barefoot Bay Propane Gas Co.	Management, Accounting and Engineering	Jan-Dec 1997	S	\$ 74,828
Avatar Utility Services, Inc.	Management and Accounting	Jan-Dec 1997	S	\$ 83,606
Rio Rico Utilities Inc.	Management, Accounting, Regulatory and Engineering	Jan-Dec 1997	S	\$ 60,468

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					

**FLORIDA CITIES WATER COMPANY
COMPOSITE STATISTICS FOR ALL
PRIVATELY OWNED WATER & SEWER UTILITIES
UNDER AGENCY JURISDICTION
Year of Report - December 31, 1997**

DESCRIPTION (a)	Water (b)	Wastewater (c)
PLANT (Intrastate Only)(000's Omitted):		
Plant in Service	\$73,231	\$54,610
Construction Work In Progress	989	242
Plant Acquisition Adjustment	0	0
Plant Held For Future Use	0	0
Materials & Supplies	57	37
Less:		
Accumulated Depreciation & Accumulated Amortization	19,578	16,864
Contributions In Aid of Construction (Net)	29,066	14,011
Net Book Cost	<u>\$25,633</u>	<u>\$24,014</u>
REVENUES & EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues	\$9,542	\$7,788
Depreciation & Amortization Expense	1,034	1,369
Income Tax Expense	644	497
Taxes Other Than Income	1,192	770
Other Operating Expenses	4,376	3,171
Total Operating Expenses	<u>7,246</u>	<u>5,807</u>
Net Operating Income	2,296	1,981
Other Income (Not allocated per books)	0	0
Other Income Deductions	0	0
Net Income	<u>\$2,296</u>	<u>\$1,981</u>
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average	19,915	12,038
Commercial - Yearly Average	1,897	679
Industrial - Yearly Average	0	0
Others - Yearly Average	1,208	489
Total	23,020	13,206
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons	50.65	N/A
Average Annual Residential Cost Per 1,000 Gallons	\$7.18	\$4.13
Average Residential Monthly Bill	\$18.07	\$31.22
Gross Plant Investment Per Customer	\$3,224	\$4,154

FINANCIAL
SECTION

FLORIDA CITIES WATER COMPANY
COMPARATIVE BALANCE SHEET - ASSETS & OTHER DEBITS
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Current Year (d)	Previous Year (e)
UTILITY PLANT				
101-106	Utility Plant	F-4	\$177,385,220	\$169,132,436
108-110	Less: Accumulated Depreciation & Amortization	F-6	55,012,252	49,246,277
	Net Plant		<u>122,372,968</u>	<u>119,886,159</u>
114-115	Utility Plant Acquisition Adj (Net)	F-5	0	0
116	Other Utility Plant Adj.		0	0
	.....		0	0
	Total Net Utility Plant		<u>122,372,968</u>	<u>119,886,159</u>
OTHER PROPERTY & INVESTMENTS				
121	Non-Utility Property	F-4	0	0
122	Less: Accumulated Depreciation & Amortization		0	0
	Net Non-Utility Property		0	0
123	Investment In Associated Companies	F-7	0	0
124	Utility Investments	F-7	0	0
125	Other Investments	F-7	0	0
126-127	Special Funds	F-7	0	0
	Total Other Property & Investments		0	0
CURRENT & ACCRUED ASSETS				
131	Cash		(414,472)	240,420
132	Special Deposits		0	0
133	Other Special Deposits		0	0
134	Working Funds		2,825	2,825
135	Temporary Cash Investments		0	200,033
141-144	Accounts & Notes Receivable, Less Accumulated Provision for Uncollectable Accts	F-8	1,826,537	2,099,999
145	Accounts Receivable from Associated Co.'s	F-9	64,641	276,691
146	Notes Receivable from Associated Co.'s	F-9	0	0
151-153	Material & Supplies		236,978	197,621
161	Stores Expense		0	0
162	Prepayments	F-10	237,455	255,937
171	Accrued Interest & Dividends Receivable		0	0
172	Rents Receivable		0	0
173	Accrued Utility Revenues		1,216,732	1,373,393
174	Misc. Current & Accrued Assets		0	0
	Total Current & Accrued Assets		<u>3,170,696</u>	<u>4,646,919</u>

FLORIDA CITIES WATER COMPANY
 COMPARATIVE BALANCE SHEET - ASSETS & OTHER DEBITS
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Current Year (d)	Previous Year (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-11	\$518,892	\$604,873
182	Extraordinary Property Losses	F-11	0	0
183	Preliminary Survey & Investigation Charges		430,202	429,688
184	Clearing Accounts		13,335	53,651
185	Temporary Facilities		0	0
186	Misc. Deferred Debits	F-10	8,818,834	10,026,271
187	Research and Development Expenditures		0	0
190	Accumulated Deferred Income Taxes			
	Total Deferred Debits		9,781,263	11,114,483
	TOTAL ASSETS AND OTHER DEBITS		<u>\$135,324,927</u>	<u>\$135,647,561</u>

NOTES TO THE BALANCE SHEET

FLORIDA CITIES WATER COMPANY
COMPARATIVE BALANCE SHEET - ASSETS & OTHER DEBITS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Current Year (d)	Previous Year (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-13	\$2,103,300	\$2,103,300
204	Preferred Stock Issued	F-13	7,200,000	9,000,000
202,205	Capital Stock Subscribed		0	0
203,206	Capital Stock Liability for Conversion		0	0
207	Premium on Capital Stock		0	0
209	Reduction in Par or Stated Value of Capital Stock		0	0
210	Gain on Resale or Cancellation of Reacquired Capital Stock		0	0
211	Other Paid-In Capital		4,088,192	4,088,192
212	Discount on Capital Stock		0	0
213	Capital Stock Expense		0	0
214-215	Retained Earnings	F-14	19,050,483	17,818,232
216	Reacquired Capital Stock		0	0
218	Proprietary Capital (Proprietorship & Partnership Only)		0	0
	Total Equity Capital		32,441,975	33,009,724
LONG TERM DEBT				
221	Bonds	F-15	30,276,000	31,942,166
222	Reacquired Bonds	F-15	0	0
223	Advances from Associated Companies	F-15	0	0
224	Other Long Term Debt	F-13	0	0
	Total Long Term Debt		30,276,000	31,942,166
CURRENT & ACCRUED LIABILITIES				
231	Accounts Payable		594,559	782,329
232	Notes Payable	F-12	1,007,261	1,500,000
233	Accounts Payable to Associated Companies	F-12	(63,847)	659,193
234	Notes Payable to Associated Companies	F-12	0	0
235	Customer Deposits		1,090,796	890,636
236	Accrued Taxes	F-16	893,375	896,292
237	Accrued Interest	F-17	254,834	271,444
238	Accrued Dividends		0	0
239	Matured Long Term Debt		1,666,167	1,666,167
240	Matured Interest		0	0
241	Miscellaneous Current & Accrued Liabilities	F-20	1,085,016	1,552,103
	Total Current & Accrued Liabilities		6,528,161	8,218,164

FLORIDA CITIES WATER COMPANY
COMPARATIVE BALANCE SHEET - ASSETS & OTHER DEBITS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Current Year (d)	Previous Year (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-11	\$0	\$0
252	Advances for Construction	F-18	207,900	208,530
253	Other Deferred Credits		2,659,381	2,387,703
255	Accumulated Deferred Investment Tax Credits		1,516,881	1,597,881
	Total Deferred Credits		4,384,162	4,194,114
OPERATING RESERVES				
261	Property Insurance Reserve		0	0
262	Injuries & Damages Reserve		0	0
263	Pensions & Benefits Reserve		0	0
265	Miscellaneous Operating Reserves		(389,750)	(307,659)
	Total Operating Reserves		(389,750)	(307,659)
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions In Aid of Construction	F-19	89,416,541	83,496,884
272	Accumulated Amortization of C.I.A.C	F-20	30,148,564	27,129,243
	Total Net C.I.A.C.		59,267,977	56,367,641
ACCUMULATED DEFERRED INCOME TAXES				
281	Accum. Defer. Income Taxes-Accelerated Deprec.		6,650,218	6,158,218
282	Accum. Defer. Income Taxes-Liberalized Deprec.		0	0
283	Accum. Defer. Income Taxes-Other		(3,833,816)	(3,934,807)
	Total Accum. Deferred Income Taxes		2,816,402	2,223,411
	TOTAL LIABILITIES & STOCKHOLDERS EQUITY		\$135,324,927	\$135,647,561

FLORIDA CITIES WATER COMPANY
COMPARATIVE OPERATING STATEMENT
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Previous Year (d)	Current Year (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$27,058,861	\$27,924,812
401	Operating Expenses	F-3(b)	14,075,421	14,220,529
403	Depreciation Expense	F-6	3,345,477	3,517,233
406	Amortization of Utility Plant Acquisition Adjustment		0	0
407	Amortization Expense		0	0
408.1	Taxes Other Than Income	F-16	2,397,475	2,532,707
409.1	Income Taxes	F-16	1,726,712	1,668,781
410.10	Deferred Federal Income Taxes		(188,270)	28,728
410.11	Deferred State Income Taxes		(29,604)	8,490
411.10	Provision for Deferred Income Taxes - Credit		0	0
412.10	Invest. Tax Credits Deferred to Future Periods		(81,000)	(81,000)
412.11	Invest. Tax Credits Restored to Oper. Income		0	0
	Utility Operating Expenses		21,246,211	21,895,468
	Utility Operating Income		5,812,650	6,029,344
413	Income from Utility Plant Leased to Others		0	0
414	Gains (Losses) from Disposal of Util. Property		0	0
	Total Utility Operating Income [Enter here and on Page F-3(c)]		\$5,812,650	\$6,029,344

Comparative Operating Statement (Cont'd)

Page Ref. (f)	Water (g)	Wastewater (h)	Other (i)
W,S-2	\$9,527,442	\$7,802,658	\$10,594,712
W,S-2	4,375,861	3,171,045	6,673,623
F-6	1,034,746	1,368,959	1,113,528
F-6	0	0	0
	0	0	0
F-16	1,191,983	769,040	571,684
F-16	648,136	523,883	496,762
	21,694	(2,042)	9,076
	5,346	983	2,161
	0	0	0
	(31,439)	(25,583)	(23,978)
			0
	7,246,327	5,806,285	8,842,856
	2,281,115	1,996,373	1,751,856
	0	0	0
	0	0	0
	\$2,281,115	\$1,996,373	\$1,751,856

FLORIDA CITIES WATER COMPANY
COMPARATIVE OPERATING STATEMENT (Cont'd)
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	REF. Page (c)	Previous Year (d)	Current Year (e)
UTILITY OPERATING INCOME (Cont'd)				
	Total Utility Operating Income [From Page F-3(a)]		\$5,812,650	\$6,029,344
OTHER INCOME & DEDUCTIONS				
415	Revenues from Merchandising, Jobbing & Contract Deductions		8,150	2,323
416	Costs & Expenses of Merchandising, Jobbing & Contract Work		0	0
419	Interest & Dividend Income		18,298	55,621
420	Allowance for Funds Used During Construction		264,524	30,059
421	Non-Utility Income		9,243	8,801
426	Miscellaneous Non-Utility Expenses		(850,475)	(130,931)
	Total Other Income & Deductions		(550,260)	(34,127)
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income	F-16	0	0
409.20	Income Taxes	F-16	(453,500)	(379,781)
410.20	Provision for Deferred Income Taxes		247,662	330,781
411.20	Provision for Deferred Income Taxes - Credit		0	0
412.20	Investment Tax Credits - Net		0	0
412.30	Investment Tax Credits Restored to Oper. Inc.		0	0
	Total Taxes Applicable To Other Income		(205,838)	(49,000)
INTEREST EXPENSE				
427	Interest Expense	F-17	2,810,655	2,696,700
428	Amortization of Debt Discount & Expense	F-11	89,593	90,266
429	Amortization of Premium on Debt	F-11	0	0
	Total Interest Expense		2,900,248	2,786,966
EXTRAORDINARY ITEMS				
433	Extraordinary Income		0	0
434	Extraordinary Deductions		0	0
409.30	Income Taxes, Extraordinary Items		0	0
	Total Extraordinary Items		0	0
	NET INCOME		<u>\$2,567,980</u>	<u>\$3,257,251</u>

**FLORIDA CITIES WATER COMPANY
UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997**

UTILITY PLANT (ACCTS. 101-106)

Acct. No. (a)	Description (b)	Water (c)	Wastewater (d)	Other* (e)	Total (f)
Plant Accounts:					
101	Utility Plant In Service	\$73,230,811	\$54,610,961	\$48,045,298	\$175,887,070
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	989,403	241,224	267,523	1,498,150
106	Completed Construction Not Classified	0	0	0	0
Total Utility Plant		\$74,220,214	\$54,852,185	\$48,312,821	\$177,385,220

- * All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

NON-UTILITY 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)
.....	\$0	\$0	\$0	\$0
.....	0	0	0	0
.....	0	0	0	0
.....	0	0	0	0
.....	0	0	0	0
.....	0	0	0	0
.....	0	0	0	0
.....	0	0	0	0
Total Non-Utility Property	0	0	0	0

FLORIDA CITIES WATER COMPANY
UTILITY PLANT ACQUISITION ADJUSTMENTS
Year of Report - December 31, 1997

UTILITY PLANT ACQUISITION ADJUSTMENTS
(ACCTS. 114-115)

Description (b)	Water (c)	Wastewater (d)	Other* (e)	Total (f)
Acquisition Adjustments (114):				
Lee County Beach 16768	\$116,470	\$0	\$0	\$116,470
Lee County N. Ft. Myers 16768	26,036	0	0	26,036
Lee County Blvd. (South Lee) 16818	0	39,311	0	39,311
Other Systems	0	0	68,774	68,774
	0	0	0	0
Total Plant Acquisition Adjustments	142,506	39,311	68,774	250,591
Accumulated Amortization (115):				
Lee County Beach 16768	116,470	0	0	116,470
Lee County N. Ft. Myers 16768	26,036	0	0	26,036
Lee County Blvd. (South Lee) 16818	0	39,311	0	39,311
Other Systems	0	0	68,774	68,774
Total Accumulated Amortization	142,506	39,311	68,774	250,591
Net Acquisition Adjustments	\$0	\$0	\$0	\$0

- All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

FLORIDA CITIES WATER COMPANY
ACCUMULATED DEPRECIATION AND AMORTIZATION
Year of Report - December 31, 1997

ACCUMULATED DEPRECIATION (ACCT. 108)				
Description (a)	Water (b)	Wastewater (c)	Other* (d)	Total (e)
Balance first of year	\$17,663,516	\$14,710,660	\$16,541,598	\$48,915,774
			0	\$0
Credit during year:				
Accruals charged to Account 108.1	2,155,051	2,279,284	1,799,015	6,233,350
Accruals charged to Account 108.2	0	0	0	0
Accruals charged to Account 108.3	0	0	0	0
Accrual charged other accounts	0	0	0	0
Power Operating Equipment (Account 108.05)	0	0	0	0
Salvage	18,667	0	300	18,967
	0	0	0	0
Total Credits	2,173,718	2,279,284	1,799,315	6,252,317
Debits during the year:				
Book cost of plant retired	235,387	100,694	145,285	481,366
Cost of removal	0	4,395	14,682	19,077
		0	0	0
Depreciation Expense on General Office Equipment alloc. to Operating Systems	32,482	21,844	(54,326)	0
Total Debits	267,869	126,933	105,641	500,443
Balance end of year	<u>\$19,569,365</u>	<u>\$16,863,011</u>	<u>\$18,235,272</u>	<u>\$54,667,648</u>
ACCUMULATED AMORTIZATION (ACCT. 110)				
Description (a)	Water (b)	Wastewater (c)	Other* (d)	Total (e)
Balance first of year	\$8,814	\$1,220	\$320,469	\$330,503
Credit during year:				
Accruals charged to Account 110.1				
Ft. Myers Water	5,556	0	0	5,556
N. Ft. Myers Wastewater	0	1,078	0	1,078
S. Ft. Myers Wastewater	0	2,334	0	2,334
Barefoot Bay Water	1,090	0	0	1,090
Barefoot Bay Wastewater	0	1,258	0	1,258
Other Water & Wastewater	0	0	2,785	2,785
Total Credits	6,646	4,670	2,785	14,101
Debits during the year:				
Book cost of plant retired	0	0	0	0
Amortization Expense on General Office Leasehold Improvements allocated to Operating Systems	6,646	4,670	(11,316)	0
Total Debits	6,646	4,670	(11,316)	0
Balance end of year	<u>\$8,814</u>	<u>\$1,220</u>	<u>\$334,570</u>	<u>\$344,604</u>

- All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

**FLORIDA CITIES WATER COMPANY
INVESTMENTS & SPECIAL FUNDS
Year of Report - December 31, 1997**

Description (a)	Face or Par Value (b)	Year-End Book Cost (c)
INVESTMENTS & SPECIAL FUNDS (ACCTS. 123-127)		
Report hereunder all investments & special funds carried in Accounts 123 thru 127.		
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123):		
.....	\$0	\$0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
Total Investments in Associated Companies		<u>\$0</u>
UTILITY INVESTMENTS (ACCT. 124):		
.....	\$0	\$0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
Total Utility Investments		<u>\$0</u>
OTHER INVESTMENTS (ACCT. 125):		
.....	\$0	\$0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
Total Other Investments		<u>\$0</u>
SPECIAL FUNDS (ACCTS. 126 & 127):		
.....		\$0
.....		0
.....		0
.....		0
.....		0
.....		0
Total Special Funds		<u>\$0</u>

FLORIDA CITIES WATER COMPANY
ACCOUNTS AND NOTES RECEIVABLE
Year of Report - December 31, 1997

Description (a)	Total (b)	
ACCOUNTS & NOTES RECEIVABLE (ACCTS. 141-144)		
Report hereunder all accounts & notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.		
ACCOUNTS RECEIVABLE (ACCT. 141):		
Water.....		\$0
Sewer.....		0
Other.....		0
Total Customer Accounts Receivable		\$1,788,582
OTHER ACCOUNTS RECEIVABLE (ACCT. 142):		
.....		\$0
.....		0
Total Other Accounts Receivable		\$88,105
NOTES RECEIVABLE (ACCT. 144):		
.....		\$0
.....		0
Total Notes Receivable		\$0
Total Accounts & Notes Receivable		<u>\$1,876,687</u>
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (ACCT. 143)		
Balance first of year	\$46,564	
Add: Provision for Uncollectables for current year	59,037	—
Collections of accounts previously written off	10,310	—
Utility accounts	0	—
Others	—	—
Total Additions	\$69,347	—
Deduct accounts written off during year:		
Utility accounts	65,761	—
Other	0	—
Total Accounts Written Off	\$65,761	—
Balance end of year		<u>\$50,150</u>
Total Accounts & Notes Receivable - Net		<u>\$1,826,537</u>

FLORIDA CITIES WATER COMPANY
ACCOUNTS AND NOTES RECEIVABLE FROM ASSOCIATED COMPANIES
 Year of Report - December 31, 1997

Description (a)	Total (b)
Report each account & note receivable from associated companies separately.	
ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145):	
Barefoot Bay Propane Gas Co.	\$6,805
Poinciana Utilities, Inc.	38,899
Barefoot Bay Facilities	0
Rio Rico Utilities	4,522
Avatar Utility Services, Inc.	10,538
Avatar Utilities Inc.	3,877
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
Total Accounts Receivable From Associated Companies	\$64,641

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
Report each account & note receivable from associated companies separately.		
NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146):		
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
.....	0.00%	0
Total Notes Receivable From Associated Companies		\$0

FLORIDA CITIES WATER COMPANY
PREPAYMENTS AND MISCELLANEOUS DEFERRED DEBITS
Year of Report - December 31, 1997

Description (a)	Total (b)
PREPAYMENTS (ACCT. 162)	
	\$79,034
Prepaid Insurance	7,154
Prepaid Rents	0
Prepaid Interest	0
Other Prepayments (Specify)	43,340
Computer	41,627
Dues	200
Administration Fees	55,831
Prepaid Permit Fees	9,944
Prepaid Engineering Fees	325
Prepaid Phone Lease	237,455
Total Prepayments	\$237,455
MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)	
	\$581,560
Deferred Rate Case Expense (ACCT. 186.1)	0
Other Deferred Debits (ACCT. 186.2)	6,147,037
Excess Capacity Fee Accrued Net of Cash Received Thereon	98,289
Other Special Deposits (Power Companies, Etc.)	929,261
Non-Capitalized PS&I Charges	1,062,687
Regulatory Assets (ACCT. 186.3)	8,818,834
Total Miscellaneous Deferred Debits	\$8,818,834

FLORIDA CITIES WATER COMPANY
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

Description (a)	Amount Written Off During Year (b)	Year End Balance (c)
Report the net discount & expense or premium separately for each security issue.		
UNAMORTIZED DEBT DISCOUNT AND EXPENSE		
Series I	\$5,665	\$11,488
Series J	22,297	90,202
Series K	13,997	68,697
Senior Notes	44,021	348,505
Bank Line of Credit	4,286	0
.....	0	0
.....	0	0
.....	0	0
Total Unamortized Debt Discount & Expense	\$90,266	\$518,892
UNAMORTIZED PREMIUM ON DEBT (ACCT. 251):		
.....	\$0	\$0
.....	0	0
.....	0	0
.....	0	0
Total Unamortized Premium on Debt	\$0	\$0

Description (a)	Total (b)
EXTRAORDINARY PROPERTY LOSSES (ACCT. 182):	
Report each item separately.	
.....	\$0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
Total Extraordinary Property Losses	\$0

FLORIDA CITIES WATER COMPANY
ACCOUNT DETAILS
 Year of Report - December 31, 1997

Description (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Rate (d)	Interest Frequency of Payment (e)	Principal Amount Per Bal. Sheet (f)
NOTES PAYABLE (ACCTS. 232 & 234)					
NOTES PAYABLE (ACCT. 232):					
NationsBank-Open Line of Credit	05/01/87	06/30/2000	Various	Various	\$1,007,261
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
Total Notes Payable					<u>\$1,007,261</u>

NOTES PAYABLE TO ASSOCIATED COMPANIES (ACCT. 234):					
.....	00/00/00	00/00/00	0.00%	0	\$0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
Total Notes Payable To Associated Companies					<u>\$0</u>

Description (a)	Total (b)
ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233):	
Report each account payable separately.	
Avatar Utilities Inc.	(\$178,888)
Consolidated Water Co.	0
Avatar Utility Services, Inc.	61,041
FCWC Holdings, Inc.	54,000
.....	0
.....	0
Total Accounts Payable To Associated Companies	<u>(\$63,847)</u>

FLORIDA CITIES WATER COMPANY
 CAPITAL STOCK AND LONG TERM DEBT
 Year of Report - December 31, 1997

CAPITAL STOCK (ACCTS. 201 & 204)

Description (a)	Common Stock (b)	Preferred Stock (c)
Par or stated or liquidated value per share	\$450	\$100
Shares authorized	10,000	72,000
Shares issued and outstanding	4,674	72,000
Total par value of stock issued	\$2,103,300	\$7,200,000
Total liquidated value of stock issued	\$288.83	\$9.00
Dividends declared per share for year		

LONG TERM DEBT (ACCT. 224)

N/A Description (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Frequency of Payment (e)	Principal Amount Per Bal. Sheet (f)
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
.....	00/00/00	00/00/00	0.00%	0	0
Total Long Term Debt					<u>\$0</u>

FLORIDA CITIES WATER COMPANY
STATEMENT OF RETAINED EARNINGS
Year of Report - December 31, 1997

Acct. No. (a)	Description (b)	Amounts (c)
STATEMENT OF RETAINED EARNINGS		
Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share. Show separately the state and federal income tax effect of items shown in Acct. 439.		
215	UNAPPROPRIATED RETAINED EARNINGS:	\$17,818,232
	Balance first of year	
	Changes to account:	
439	Adjustments to Retained Earnings (Requires Commission approval prior to use):	
	Credits:	0
	.....	0
	.....	0
	Total Credits	0
	Debits:	0
	.....	0
	.....	0
	Total Debits	0
435	Balance Transferred from Income	3,257,251
436	Appropriations of Retained Earnings:	0
	.....	0
	.....	0
	Total Appropriations of Retained Earnings	0
	Dividends Declared:	675,000
437	Preferred Stock Dividends Declared	1,350,000
	.....	1,350,000
438	Common Stock Dividends Declared	2,025,000
	.....	2,025,000
	Total Dividends Declared	\$19,050,483
	Balance end of year	
214	APPROPRIATED RETAINED EARNINGS:	0
	(State balance & purpose of each appropriated amount at year end):	0
	.....	0
	.....	0
214	Total Appropriated Retained Earnings	0
214-215	Total Retained Earnings	<u>\$19,050,483</u>

Notes to Statement of Retained Earnings

**FLORIDA CITIES WATER COMPANY
BONDS AND ADVANCES FROM ASSOCIATED COMPANIES
Year of Report - December 31, 1997**

BONDS (ACCT. 221):

Description (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Interest		Principal Amount Per Bal. Sheet (f)
			Rate (d)	Frequency of Payment (e)	
First Mortgage Bonds:					
Series I	05/15/87	05/15/02	8.500%	Semi-Annual	2,185,000
Series J	07/01/91	06/30/06	9.190%	Semi-Annual	5,000,000
Series K	10/15/92	10/15/07	7.790%	Semi-Annual	5,091,000
Senior Notes	12/08/95	12/01/10	7.27%	Semi-Annual	\$18,000,000
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
.....	00/00/00	00/00/00	0.000%		0
Total Bonds					\$30,276,000

ADVANCES FROM ASSOCIATED COMPANIES (ACCTS. 223)

Report each advance separately.

Description (a)	Total (b)
.....	\$0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
.....	0
223 Total Advances from Associated Companies	\$0

FLORIDA CITIES WATER COMPANY
ACCRUED TAXES
Year of Report - December 31, 1997

ACCRUED TAXES (ACCT. 236)

Acct. No. (a)	Description (b)	Water (c)	Wastewater (d)	Other (e)	Total (f)
	Balance first of year	434,387	357,431	104,474 0	896,292 0
	Accruals Charged:				
408.10	Utility Regulatory Assessment fees	443,456	382,394	276,505	1,102,355
408.11	Property Taxes	667,614	344,894	332,963	1,345,471
408.12	Payroll Taxes	116,262	91,167	110,226	317,655
408.13	Other Taxes & Licenses	4,148	2,790	3,432	10,370
410.10	Federal Income Taxes	553,557	447,442	424,273	1,425,272
410.11	State Income Taxes	94,578	76,441	72,490	243,509
408.20	Taxes Other Than Income	0	0	0	0
409.20	inc. taxes, Other Inc. & Deductions	0	0	0	0
409.30	Income Taxes, Extraordinary Items	0	0	0	0
410.20	Provision for Deferred Income Taxes	0	0	0	0
				
	Total Taxes Accrued	1,879,615	1,345,128	1,219,889	4,444,632
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment fees	433,364	357,260	315,315	1,105,939
408.11	Property Taxes	667,614	344,894	332,963	1,345,471
408.12	Payroll Taxes	116,210	91,127	110,177	317,514
408.13	Other Taxes & Licenses	3,938	2,648	3,258	9,844
409.10	Federal Income Taxes	553,557	447,442	424,273	1,425,272
409.11	State Income Taxes	94,578	76,441	72,490	243,509
408.20	Taxes Other Than Income	0	0	0	0
409.20	inc. taxes, Other Inc. & Deductions	0	0	0	0
409.30	Income Taxes, Extraordinary Items	0	0	0	0
410.20	Provision for Deferred Income Taxes	0	0	0	0
				
	Total Taxes Paid	1,869,261	1,319,812	1,258,476	4,447,549
	Balance end of year	444,741	382,747	65,887	893,375

* Reconciliation of total taxes accrued and taxes reported as an expense on page F-3(b).

Total Taxes Accrued:	1,879,615	1,345,128	1,219,889	4,444,632
Less: Payroll taxes capitalized & not expensed	(21,063)	(16,704)	(19,097)	(56,864)
Less: Sarasota Div regulatory assessment fees collected directly from cust. & not exp.	0	0	(129,916)	(129,916)
Less: Regulatory assessment fees collected directly from customers on cash received for excess capacity fees	(14,285)	(31,711)	0	(45,996)
Less: Regulatory assessment fee posted to payroll tax expense incorrectly	0	0	0	0
Add: Property taxes expensed but not accrued	0	0	0	0
Add: State sales tax adjustment not expensed	(4,148)	(2,790)	(3,432)	(10,370)
Total taxes accrued and expensed (see F-3b)	1,840,119	1,293,923	1,067,444	4,201,486

FLORIDA CITIES WATER COMPANY
ACCRUED INTEREST AND REGULATORY COMMISSION EXPENSE
 Year of Report - December 31, 1997

Description (a)	Balance Beginning of Year (b)	Acct. Debit (c)	Interest Accrued During Year Amount (d)	Interest Paid During Yr. (e)	Balance End of Year (f)
Accrued Interest on Long Term Debt (ACCT. 237.1):				(ACCT. 427)	
First Mortgage Bonds	\$132,171	427.01	\$1,276,163	\$1,289,329	\$119,006
Senior Notes	109,050	427.01	\$1,308,600	1,308,600	109,050
.....	0	0.00	0	0	0
.....	0	0.00	0	0	0
.....	0	0.00	0	0	0
.....	0	0.00	0	0	0
Total Accr. Inter. on Long Term Debt	241,221		2,584,763	2,597,929	228,056
Accrued Interest on Other Liabilities (ACCT. 237.2):					
NationsBank Credit Line	8,050	427.02	36,757	43,103	1,704
Customer Deposits	22,173	427.05	56,316	53,414	25,075
Interest Related to Refunds	0	427.03	18,864	18,864	0
Interest Assoc Companies	0	427.04	0	0	0
Total Accr. Inter. on Other Liabilities	30,223		111,937	115,381	26,779
Total Accrued Interest	\$271,444		\$2,696,700	\$2,713,310	\$254,835

REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE
 (ACCTS. 666 & 766)

Description of Case (Docket No.) (a)	Expense Incurred During Year (b)	Amount Trans. to Acct. 186.1 (c)	Charged off during year	
			Account (d)	Amount (e)
N. Ft. Myers (95 WW)	\$0	\$0	766	\$24,248
N. Ft. Myers (WW Capacity)	0	0	766	1,261
N. Ft. Myers (WW Appeal)	43,056	0	766	0
S. Ft. Myers (920808-SU) WW	0	0	766	19,118
Golden Gate - W/WW (941108-WS)	0	0	666/766	13,472
Golden Gate - WW (941338-SU)	0	0	766	2,768
Barefoot Bay - W	0	0	666	8,929
Barefoot Bay - W/WW (940106-WS)	8,890	0	666/766	4,014
Barefoot Bay - (W/WW Capacity)	0	0	666/766	48,136
Barefoot Bay - (WW Capacity)	0	0	766	966
Hillsborough - W/WW	0	0	666/766	31,583
Sarasota (County Regulated) W	0	0	666	33,795
Sarasota - W/WW	0	0	666/766	33,675
Sarasota - WW (Lmted Proceed)	0	0	766	3,269
DOJ Cost Recovery Rate Case	120,311	0	666/766	0
Total Regulatory Commission Expense	172,257	0		225,234

FLORIDA CITIES WATER COMPANY
ADVANCES FOR CONSTRUCTION
Year of Report - December 31, 1997

ADVANCES FOR CONSTRUCTION (ACCT. 252)

Name of Payor*	Begin-Year Balance (b)	Debits		Credits (e)	End-year Balance (f)
		Acct. Debit (c)	Amount (d)		
Begin-Year Balance	\$208,530				
Payments Received		131.00	\$0	\$0	—
Barefoot Bay W Paybacks		252.00	230	0	—
Barefoot Bay WW Paybacks		252.00	400	0	—
		0.00	0	0	—
		0.00	0	0	—
		0.00	0	0	—
		0.00	0	0	—
.....		0.00	0	0	—
.....		0.00	0	0	—
Total Advances for Construction	<u>\$208,530</u>		<u>\$630</u>	<u>\$0</u>	<u>\$207,900</u>

- * Report advances separately by reporting group, designating water or wastewater in column (a).

FLORIDA CITIES WATER COMPANY
CONTRIBUTIONS IN AID OF CONSTRUCTION
Year of Report - December 31, 1997

Description (a)	Water (b)	Wastewater (c)	Other* (d)	Total (e)
CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)				
Balance first of year	\$42,376,438	\$21,817,022	\$19,303,424	\$83,496,884
Add credits during year:				
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	910,109	590,522	313,187	1,813,818
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	2,076,844	1,637,655	373,697	4,088,196
Other Credits:				
Transfer from AIAC	0	0	0	0
Transfer from Deferred AIAC	0	0	0	0
Process Fee	29,279	24,038	0	53,317
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Fed Inc Txs on CIAC	0	0	0	0
St Inc Txs on CIAC	0	0	0	0
Rounding	0	0	0	0
Total Credits	3,016,232	2,252,215	686,884	5,955,331
Less: Debits charged during the year:				
Refund of CIAC	15,906	13,395	6,373	35,674
	0	0	0	0
	0	0	0	0
Total Debits	15,906	13,395	6,373	35,674
Balance reported on (W-4 and S-4)	\$45,376,764	\$24,055,842	\$19,983,935	\$89,416,541
Reconciliation of CIAC per books to CIAC reported on (W-1 and S-1):				
Balance end of year (as above)	\$45,376,764	\$24,055,842	19,983,935	\$89,416,541
Taxes paid on contributions for the years (1987-1996) charged to Accumulated Deferred Income				
Taxes on CIAC at December 31, 1997:				
Federal (256-17)	4,300,303	1,410,199	1,319,108	7,029,610
State (256-21)	722,291	236,228	222,223	1,180,742
Balance reported on (W-1 and S-1)	\$40,354,170	\$22,409,415	18,442,604	\$81,206,189

* All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

FLORIDA CITIES WATER COMPANY
ACCOUNT DETAILS
Year of Report - December 31, 1997

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

Description (a)	Water (b)	Wastewater (c)	Other* (d)	Total (e)
Balance first of year	\$11,736,446	\$7,993,473	\$7,399,324	\$27,129,243
Debits during year:				
Accruals charged to Acct. 272	1,126,951	914,995	688,271	2,730,217
Other debits (specify)				
Accruals charged to Deferred Income Taxes:				
Federal (256.18)	148,908	48,864	49,934	247,706
State (256.22)	24,840	8,124	8,434	41,398
	0	0	0	0
Total Debits	1,300,699	971,983	746,639	3,019,321
Credits during year (specify):				
	0	0	0	0
	0	0	0	0
Total Credits	0	0	0	0
272 Balance end of year	<u>\$13,037,145</u>	<u>\$8,965,456</u>	<u>\$8,145,963</u>	<u>\$30,148,564</u>

- * All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

MISCELLANEOUS CURRENT & ACCRUED LIABILITIES (ACCT. 241)

Description (a)	End of Year (b)
FICA Withheld (ACCT. 241.01)	\$120
Federal Income Tax Withheld (ACCT. 241.02)	264
Accrued Payroll (ACCT. 242.01)	211,796
Accrued Legal (ACCT. 242.02)	89,887
Accrued Audit (ACCT. 242.03)	22,500
Unclaimed Checks (ACCT. 242.04)	4,749
Lee County Sewer Charges Payable (ACCT. 242.14)	480,160
Interest on CIAC Tax Escrow Account (ACCT. 242.08)	9,006
Accrued Pension (ACCT. 242.05)	0
Advance Rental Receipts (ACCT. 242.07)	2,678
Accrued Insurance (ACCT. 242.06)	120,000
Franchise Trust Fund Fee Payable (ACCT. 242.18)	8,708
Hillsborough County Sewer Payable (ACCT. 242.19)	76,541
Hillsborough Surcharge Liability (ACCT. 242.20)	45,613
Accrued 401-K (ACCT. 242.09)	0
Other Current Liabilities (ACCT. 242.21)	12,994
Total Miscellaneous Current & Accrued Liabilities	<u>\$1,085,016</u>

FLORIDA CITIES WATER COMPANY
ACCOUNT DETAILS
Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
AMORTIZATION OF CIAC PER BOOKS TO
ACCUMULATED AMORTIZATION OF CIAC
ON (W-1 and S-1)

Description (a)	Water (b)	Wastewater (c)	Other* (d)	Total (e)
Balance end of year (F-20)	\$13,037,145	\$8,965,456	\$8,145,963	\$30,148,564
Amortization of taxes paid on Contributions for years (1987-1996) credited to Accumulated Deferred Income Taxes at December 31, 1997:				
Federal (256.18)	1,499,741	486,833	370,744	2,357,318
State (256.22)	248,755	80,376	61,506	390,637
Balance reported on (W-1 and S-1)	11,288,649	8,398,247	7,713,713	27,400,609

- * All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported here.

FLORIDA CITIES WATER COMPANY
ACCOUNT DETAILS
Year of Report - December 31, 1997

RECONCILIATION OF REPORTED NET INC. WITH TAXABLE INC. FOR FED. INC. TAX (UTIL. OPER.)

1. The reconciliation should include the same detail as furnished on Sch 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 reconciliation 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 inter-co 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		\$3,257,251
Reconciling items for the year:		
Taxable income not reported on books:		
C.I.A.C.		6,560
Loss on Retirement of ACRS Property		(250,000)
Cash rec'd in excess of carrying chgs accrued		1,022,188
Subtotal		778,748
Deductions recorded on books not deducted for return:		
Capitalized Interest		55,825
Potential Rate Refund		130,931
FAS 106 Expense		442,500
Legal Expense		149,705
Deferred Rate Case Expense		52,977
Deferred Pension Expense		(63,344)
Major Maintenance Reserve		(82,091)
Bad Debt Adjustments		3,586
Non Deductible Business Expense		4,545
Current federal income tax		1,101,000
Deferred income tax expense		287,000
Subtotal		2,082,634
Income recorded on books not included in return:		
AFUDC - Equity Portion		(15,525)
Subtotal		(15,525)
Deduction on return not charged against book income:		
Depreciation		(2,633,663)
Other		0
Subtotal		(2,633,663)
Federal Tax Net Income		<u>\$3,469,445</u>
Computation of tax:		
Tax on ordinary Federal Taxable Income @ 34%		\$1,179,611
Tax Credit for Interest Expense Allocated from Parent Co.		(78,254)
Current Tax Liabilities		1,101,357
Tax Applicable to CIAC & Advances		(2,108)
Current Tax Expense		<u>1,099,249</u>
Rounded		1,099,000

Note: See attached copy of Fed. Inc. Tax Extension showing member of Consolidated Group.

Application for Automatic Extension of Time To File Corporation Income Tax Return

Name of corporation **AVATAR HOLDINGS INC. & SUBSIDIARIES** Employer identification number **23-1739078**

Number, street, and room or suite no. (If a P.O. box or outside the United States, see instructions.)

P.O. BOX 026000

City or town, state, and ZIP code

MIAMI FL 33102

Check type of return to be filed:

- | | | | | |
|---|--|--|---|---------------------------------------|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120-FSC | <input type="checkbox"/> Form 1120-ND | <input type="checkbox"/> Form 1120-REIT | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A | <input type="checkbox"/> Form 1120-H | <input type="checkbox"/> Form 1120-PC | <input type="checkbox"/> Form 1120-RIC | <input type="checkbox"/> Form 990-C |
| <input type="checkbox"/> Form 1120-F | <input type="checkbox"/> Form 1120-L | <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 1120S | <input type="checkbox"/> Form 990-T |

Form 1120-F filers: Check here if you do not have an office or place of business in the United States

1a I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until SEPTEMBER 15, 1998, to file the income tax return of the corporation named above for calendar year 1997 or tax year beginning _____, and ending _____

b If this tax year is for less than 12 months, check reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period
SEE ATTACHED SCHEDULE		

3 Tentative tax (see instructions)	3	
4 Credits:		
a Overpayment credited from prior year	4a	568,879.00
b Estimated tax payments for the tax year	4b	0
c Less refund for the tax year applied for on Form 4466	4c	(0)
	Bal ▶	4d 568,879.00
e Credit from regulated investment companies	4e	0
f Credit for Federal tax on fuels	4f	0
5 Total. Add lines 4d through 4f	5	568,879.00
6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions)	6	0.00

Signature. — Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

By: [Signature] (Signature of officer or agent) CONTROLLER (Title) 3/3/98 (Date)

NAME OF CORPORATION	FEB
AVATAR HOLDINGS INC.(DE) (Formerly GAC Corporation)	23-1739078
SUBSIDIARIES:	
1 AMERICAN CABLEVISION SERVICES INC	59-1066225
2 AVATAR ASSET MANAGEMENT INC.	65-0354262
3 AVATAR BEACH RESORT, INC	65-0560385
4 AVATAR CAMELOT ISLES, INC	65-0150543
5 AVATAR COMMUNITIES INC	59-2300815
6 AVATAR COMMUNITIES OF ARIZONA, INC	59-1308586
7 AVATAR COMMUNITIES OF CALIFORNIA, INC	59-2798536
8 AVATAR COMMUNITIES OF CONNECTICUT, INC	65-0144835
9 AVATAR COMMUNITIES OF DISTRICT OF COLUMBIA, INC	59-2374736
10 AVATAR COMMUNITIES OF GEORGIA, INC	59-2832703
11 AVATAR COMMUNITIES OF ILLINOIS, INC	59-2450668
12 AVATAR COMMUNITIES OF INDIANA, INC	59-2677885
13 AVATAR COMMUNITIES OF MASSACHUSETTS, INC	59-2677887
14 AVATAR COMMUNITIES OF MICHIGAN, INC	59-2753732
15 AVATAR COMMUNITIES OF NEVADA, INC	65-0293912
16 AVATAR COMMUNITIES OF NEW JERSEY, INC	59-2753733
17 AVATAR COMMUNITIES OF NEW YORK, INC	59-2359749
18 AVATAR COMMUNITIES OF OHIO, INC	59-2461322
19 AVATAR COMMUNITIES OF PENNSYLVANIA, INC	59-2677879
20 AVATAR COMMUNITIES OF WISCONSIN, INC	59-2753734
21 AVATAR CONDOMINIUM MANAGEMENT INC	59-1525639
22 AVATAR DEVELOPMENT CORPORATION	59-1270989
23 AVATAR FINANCE INC	65-0030552
24 AVATAR GEORGETOWN INC	59-2097853
25 AVATAR HOLDINGS INC (NV)	59-1935212
26 AVATAR HOMES OF ARIZONA, INC **	59-1269391
27 AVATAR INTERNATIONAL SALES OF USA INC	65-0176630
28 AVATAR LEISURE LAKES, INC	65-0012731
29 AVATAR MORTGAGE FUNDING INC	65-0343033
30 AVATAR NEW HOMES OF FLORIDA, INC	65-0892212
31 AVATAR POINCIANA, INC	59-2370802
32 AVATAR PROPERTIES INC (DE)	59-2374446
33 AVATAR PROPERTIES INC (FL)	23-1693997
34 AVATAR REALTY INC	23-1736926
35 AVATAR REALTY OF ARIZONA INC	65-0642682
36 AVATAR RESORT GROUP, INC	65-0560408
37 AVATAR RESORT MANAGEMENT INC	65-0583524
38 AVATAR RETIREMENT COMMUNITIES, INC.	65-0788927
39 AVATAR UTILITIES INC	23-1582615
40 AVATAR UTILITY SERVICES, INC	59-1167542
41 AVATAR VACATION REALTY, INC	65-0583523
42 AVATAR VACATION REALTY OF TENNESSE, INC	62-1603975
43 AVATAR VACATION RESORTS, INC	65-0508488
44 AVATAR VACATION RESORTS CLUBS, INC	65-0583526
45 BANYAN BAY DEVELOPMENT CORPORATION	59-2131704
46 BAREFOOT BAY CORPORATION	59-1281126
47 BAREFOOT BAY DEVELOPMENT CORPORATION	59-1039425
48 BAREFOOT BAY PROPANE GAS COMPANY	59-1275937
49 BROOKMAN-FELS COMMUNITIES, INC	65-0805785
50 CAPE CORAL DEVELOPMENT CORPORATION	59-0953675
51 CAPE CORAL REALTY, INC	59-2242250
52 CAVES DEVELOPMENT CORPORATION	59-1064274
53 CONSOLIDATED WATER COMPANY	36-2365089
54 COUNTRY CLUB INN, INC	59-1115097
55 DEAN PHIPPS REALTY CORPORATION	24-0864635
56 DORTEN, INC	59-1236305
57 FLORIDA CITIES WATER COMPANY	59-1094814
58 FCWC HOLDINGS INC	65-0267125
59 FORT MYERS CONSTRUCTION COMPANY, INC	59-1026462
60 GAEL, INC OF CALIFORNIA	23-1739082
61 GAC MERCHANDISING INC	23-1702583
62 GAC PROPERTIES SALES CORP. OF CONNECTICUT	59-1435431
63 GAC PROPERTIES SALES CORP. OF PENNSYLVANIA	59-2071687
64 GAC REALBUILDERS, INC	23-1739079
65 GAC REALTY CORPORATION	23-1614175
66 GAC SERVICES INC	23-1611364
67 GAC UTILITY PRODUCTS INC	39-1145671
68 GOLDEN GATE REALTY, INC	59-1166744
69 HARBOR ISLANDS CLUBS, INC	65-0437233
70 HARBOR ISLANDS COMMUNITY SERVICES, INC	65-0587178
71 HARBOR ISLANDS COMMUNITY MANAGEMENT, INC	65-0587174
72 HARBOR ISLANDS REALTY, INC	65-0437231
73 HIGHWAY INDUSTRIES INC	39-1134707
74 KISSIMMEE CONSTRUCTION CORPORATION	59-1362084
75 LEE INVESTMENT COMPANY, INC	59-1102203
76 LEHIGH ACRES, INC	23-1705878
77 OPTIMUM ENVIRONMENTS INC	59-1525820
78 PARKWAY MORTGAGE COMPANY, INC	59-1031613
79 PHOENIX ADVERTISING ASSOCIATES INC	59-1109277
80 POINCIANA GOLF AND RACQUET CLUB, INC	59-1458085
81 POINCIANA NEW TOWNSHIP, INC	59-1288187
82 POINCIANA UTILITIES INC	59-1465024
83 POINCIANA VACATION RESORTS, INC	59-3316497
84 PURITAN AGENCY OF FLORIDA, INC	38-1710539
85 RIO RICO GOLF AND COUNTRY CLUB	59-1958651
86 RIO RICO PROPERTIES INC	59-0953866
87 RIO RICO REALTY, INC	59-1987960
88 RIO RICO RESORT HOTEL INC	65-0110620
89 RIO RICO UTILITIES INC	88-0733341
90 SUNRISE RIDGE RESORT, INC	65-0560419
91 TARPOON POINT, INC	59-2152338
92 THREE ISLANDS, INC	65-0437236
93 U.S.A. FAMILY HOMES, INC	65-0892473
94 UTILITIES SERVICES GROUP INC	65-0656254

FLORIDA CITIES WATER COMPANY
 SCHEDULE OF COST OF CAPITAL USED FOR AFUDC CALCULATION
 Year of Report - December 31, 1997

SCHEDULE "A"

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

Description (a)	Dollar Amount (1) (b)	% of Capital (c)	Actual Cost Rates (d)	Weighted Cost [c x d] (e)
CLASS OF CAPITAL				
Common Equity	25,241,975	35.64%	(3)	0.00%
Preferred Stock	7,200,000	10.17%	9.00%	0.92%
Long Term Debt	31,942,167	45.11%	7.89%	3.56%
Customer Deposits	1,090,796	1.54%	6.00%	0.09%
Tax Credits - Zero Cost	0	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	1,516,881	2.14%	(5)	0.00%
Deferred Income Taxes	2,816,402	3.98%	0.00%	0.00%
Other (Explain)	0	0.00%	0.00%	0.00%
Short Term Debt	1,007,261	1.42%	8.50%	0.12%
Total Cost of Capital	\$70,815,482	100.00%		(4)

- (1) Should equal amounts on Schedule B, column (f), page F-23.
- (2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.
- (3) Leave blank. The last authorized rate of return on equity for each system should be listed on page F-24.
- (4) Leave blank. The calculated overall rate of return for each system should be listed on page F-24.
- (5) Leave blank. The calculated Tax Credit weighted cost rate for each system is listed on page F-24.

**FLORIDA CITIES WATER COMPANY
SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
Year of Report - December 31, 1997**

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

Description (a)	Balance Per Book (b)	Non-Utility Adjustments (c)	Non-Juris. Adjustment (d)	Other (1) Adjustments (e)	Capital Structure Used for AFUDC Calc. (f)
--------------------	----------------------------	-----------------------------------	---------------------------------	---------------------------------	--

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL

Common Equity	\$25,241,975	\$0	\$0	\$0	\$25,241,975
Preferred Stock	7,200,000	0	0	0	7,200,000
Long Term Debt	31,942,167	0	0	0	31,942,167
Customer Deposits	1,090,796	0	0	0	1,090,796
Tax Credits-Zero Cost	0	0	0	0	0
Tax Credits-Weighted Cost	1,516,881	0	0	0	1,516,881
Deferred Income Taxes	2,816,402	0	0	0	2,816,402
Other (Explain)	0	0	0	0	0
Short Term Debt	1,007,261	0	0	0	1,007,261
Total Cost of Capital	\$70,815,482	\$0	\$0	\$0	\$70,815,482

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

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

**FLORIDA CITIES WATER COMPANY
ACCOUNT DETAILS
Year of Report - December 31, 1997**

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

For each individual system that charged AFUDC during the year, provide the following data:

System Name (a)	Last Authorized Return on Equity (b)	(1) Calculated Rate of Return (c)	Commission Approved AFUDC Rate (d)	Commission Order (e)
N. & S. Ft Myers Water	11.88%	9.13%	9.91%	22016
Barefoot Bay Water	11.88%	9.13%	9.91%	22016
N. Ft Myers Wastewater	11.88%	9.13%	9.91%	22016
S. Ft Myers Wastewater	12.44%	9.33%	9.99%	22016
Barefoot Bay Wastewater	11.88%	9.13%	9.91%	22016
<hr/>				
	Calculated Tax Credit Cost Rates (b)			
N. & S. Ft Myers Water	9.50%			
Barefoot Bay Water	9.50%			
N. Ft Myers Wastewater	9.50%			
S. Ft Myers Wastewater	9.71%			
Barefoot Bay Wastewater	9.50%			
<hr/>				
<hr/>				
<hr/>				

This rate would be the resulting rate of return calculated based on incorporation of the last authorized rate of return on equity (1) for each system, into the schedule of cost of capital calculation reflected on Schedule "A", page F-22 of this report.

**WATER
OPERATION
SECTION**

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff, should be assigned the same group number. Each individual system which has not been consolidated, should be assigned it's own group number. The water financial schedules (W-1 through W-10) should be filed for the group in total. The water engineering schedules (W-11 through W-14) must be filed for each system in the group. All water pages should be arranged by group number. An example of system grouping follows:

<u>System Name/County</u>	<u>Cert. No.</u>	<u>Group Number</u>
<u>N. & S. Ft. Myers Water/Lee</u>	<u>027-W</u>	<u>1</u>
<u>Barefoot Bay Water/Brevard</u>	<u>007-W</u>	<u>2</u>

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 SCHEDULE OF YEAR-END RATE BASE
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Water Utility (d)
RATE BASE			
101	Utility Plant In Service	W-3	\$68,156,682
Less:			
108.1	Nonused & Useful Plant (1)	W-8	17,899,163
110.1	Accumulated Depreciation		3,829
271	Accumulated Amortization	W-4	37,130,972
271	Contributions In Aid of Construction (CIAC)	F-18	0
252	Advances for Construction		13,122,718
	Subtotal		<u>13,122,718</u>
Additions:			
272	Accumulated Amortization of CIAC	W-5 and W-5(a)	10,041,722
	Subtotal		<u>23,164,440</u>
Plus or Minus:			
114	Acquisition Adjustments (2)	F-5	0
115	Accumul. Amortization of Acquisition Adj.(2)	F-5	0
	Working Capital Allowance (3)		477,609
	Other (Specify): Allocation of General Office Net Plant		148,150
			0
			<u>0</u>
			<u>23,790,199</u>
	RATE BASE		<u>\$2,190,872</u>
	UTILITY OPERATING INCOME		<u>9.21%</u>
	ACHIEVED RATE OF RETURN		<u>9.21%</u>

NOTES:

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

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 WATER OPERATING STATEMENT
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	Ref. Page (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	\$8,673,726	W-10
401	Operating Expenses	3,820,875	W-9
403	Depreciation Expense	962,143	W-8
406	Amortization of Utility Plant Acquisition Adjustment	0	
407	Amortization Expense	0	
408.1	Taxes Other Than Income	1,100,159	F-16
409.1	Income Taxes	608,394	F-16
410.10	Deferred Federal Income Taxes	16,266	
410.11	Deferred State Income Taxes	4,586	
411.10	Provision for Deferred Income Taxes - Credit	0	
412.10	Invest. Tax Credits Deferred to Future Periods	(29,569)	
412.11	Invest. Tax Credits Restored to Oper. Income	0	
	Utility Operating Expenses	<u>6,482,854</u>	
	Utility Operating Income	2,190,872	
413	Income from Utility Plant Leased to Others	0	
414	Gains (Losses) from Disposal of Util. Property	0	
	Total Utility Operating Income	<u>\$2,190,872</u>	

FLORIDA CITIES WATER COMPANY
FT MYERS - WATER
WATER UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)
301	Organization	\$1,819	\$0	\$0
302	Franchises	2,010	0	0
303	Land & Land Rights	368,175	0	0
304	Structures & Improvements	4,083,592	33,967	0
305	Collecting & Impounding Reservoirs	18,917	1,063	0
306	Lake, River, & Other Intakes	0	0	0
307	Wells & Springs	1,300,355	11,033	0
308	Infiltration Galleries & Tunnels	0	0	0
309	Supply Mains	1,066,079	0	0
310	Power Generation Equipment	16,371	33,120	0
311	Pumping Equipment	2,268,889	172,096	17,152
320	Water Treatment Equipment	8,332,180	93,323	106,260
330	Distribution Reservoirs & Standpipes	2,602,638	0	0
331	Transmission & Distribution Mains	35,059,099	1,673,915	8,226
333	Services	4,000,326	485,044	5,766
334	Meters & Meter Installations	1,966,369	238,995	66,366
335	Hydrants	2,994,669	403,643	4,556
339	Other Plant & Miscellaneous Equip.	531,014	5,704	0
340	Office Furniture & Equipment	144,773	31,523	0
341	Transportation Equipment	0	0	0
342	Stores Equipment	469	0	0
343	Tools, Shop, & Garage Equipment	47,844	1,457	0
344	Laboratory Equipment	69,257	0	0
345	Power Operated Equipment	35,447	1,275	804
346	Communication Equipment	94,713	65,900	2,869
347	Miscellaneous Equipment	33,261	17,126	6,371
348	Other Tangible Plant	67,602	0	0
		0	0	0
		0	0	0
		0	0	0
	Total Water Plant	\$65,105,868	\$3,269,184	\$218,370
102	Utility Plant Leased to Others	0	0	0
103	Property Held for Future Use	0	0	0
104	Utility Plant Purchased or Sold	0	0	0
105	Construction Work in Progress	225,470	4,024,556	3,269,184
106	Completed Construction not Classified	0	0	0
	Total Utility Plant	\$65,331,338	\$7,293,740	\$3,487,554

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

WATER UTILITY PLANT MATRIX

	.1	.2	.3	.4	.5
Current Year (f)	Intangible Plant (g)	Source of Supply & Pumping Plant (h)	Water Treatment Plant (i)	Trans. & Distrib. Plant (j)	General Plant (k)
\$1,819	\$1,819	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
2,010	2,010	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
368,175	XXXXXXXXXX	71,006	72,973	224,196	0
4,117,559	XXXXXXXXXX	412,299	2,416,609	893,840	394,811
19,980	XXXXXXXXXX	19,980	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,311,388	XXXXXXXXXX	1,311,388	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,066,079	XXXXXXXXXX	1,066,079	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
49,491	XXXXXXXXXX	49,491	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
2,423,833	XXXXXXXXXX	2,423,833	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
8,319,243	XXXXXXXXXX	XXXXXXXXXX	8,319,243	XXXXXXXXXX	XXXXXXXXXX
2,602,638	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,602,638	XXXXXXXXXX
36,724,788	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	36,724,788	XXXXXXXXXX
4,479,604	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	4,479,604	XXXXXXXXXX
2,138,998	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,138,998	XXXXXXXXXX
3,393,756	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	3,393,756	XXXXXXXXXX
536,718	0	0	0	536,718	XXXXXXXXXX
176,296	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	176,296
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
469	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	469
49,301	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	49,301
69,257	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	69,257
35,918	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	35,918
157,744	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	157,744
44,016	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	44,016
67,602	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	67,602
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
\$68,156,682	\$3,829	\$5,354,076	\$10,808,825	\$50,994,538	\$995,414
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
980,842	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
\$69,137,524	\$3,829	\$5,354,076	\$10,808,825	\$50,994,538	\$995,414

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 CONTRIBUTIONS IN AID OF CONSTRUCTION
 Year of Report - December 31, 1997

Description: (a)	Water (b)
<hr/> <hr/>	
CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)	
Balance first of year	\$38,628,587
Add credits during year:	
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	898,470
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	2,076,844
Other Credits:	
Transfer from AIAC	0
Transfer from Deferred AIAC Process Fee	29,279
	<hr/>
Total Credits	3,004,593
Less: Debits charged during the year: (All debits charged during the year must be explained below)	
Refund of CIAC	15,906
	<hr/>
Total Debits	15,906
Total Contributions in Aid of Construction	<u>\$41,617,274</u>
Reconciliation of CIAC per books to CIAC reported on (W-1):	
Balance end of year (as above)	\$41,617,274
Taxes paid on contributions for the years (1987-1990) charged to Accumulated Deferred Income	
Taxes on CIAC at December 31, 1997:	
Federal (256.17)	3,842,396
State (256.21)	643,906
	<hr/>
Balance reported on (W-1)	<u>\$37,130,972</u>

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

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

Description (a)	Number of Connections (b)	Charge Per Connection (c)	Amount (d)
Credits:			
North Lee County - Water	27	Various	\$18,078
South Lee County - Water	1,342	Various	880,392
Total Credits			<u>\$898,470</u>

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

DESCRIPTION (a)	WATER (b)
Balance first of year	\$10,436,838
Debits during year:	
Accruals charged to Acct. 272	1,003,124
Other debits (specify)	
Accruals credited to Deferred	
Income Taxes:	
Federal (256.18)	133,164
State (256.22)	22,152
Total Debits	<u>1,158,440</u>
Credits during year (specify):	
Total Credits	<u>0</u>
Balance end of year	<u>\$11,595,278</u>

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
 AMORTIZATION OF CIAC PER BOOKS TO
 ACCUMULATED AMORTIZATION OF CIAC
 ON (W-4)

Description (a)	Water (b)
Balance end of year (W-5)	\$11,595,278
Amortization of taxes paid on Contributions for years (1987-1990) credited to Accumulated Deferred Income Taxes at December 31, 1997:	
Federal (256.18)	1,333,277
State (256.22)	220,279
Balance reported on (W-1)	<u>\$10,041,722</u>

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 BASIS FOR WATER DEPRECIATION CHARGES
 Year of Report - December 31, 1997

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 & Improvements	33	0.0%	3.00%
305	Collecting & Impounding Reservoirs	0	0.0%	0.00%
306	Lake, River, & Other Intakes	0	0.0%	0.00%
307	Wells & Springs	30	0.0%	3.30%
308	Infiltration Galleries & Tunnels	0	0.0%	0.00%
309	Supply Mains	34	0.0%	2.90%
310	Power Generation Equipment	20	0.0%	5.00%
311	Pumping Equipment	20	0.0%	5.00%
320	Water Treatment Equipment	22	0.0%	4.50%
330	Distribution Reservoirs & Standpipes	37	0.0%	2.70%
331	Transmission & Distribution Mains	43	0.0%	2.30%
333	Services	40	0.0%	2.50%
334	Meters & Meter Installations	20	0.0%	5.00%
335	Hydrants	45	0.0%	2.20%
339	Other Plant & Miscellaneous Equip.	25	0.0%	4.00%
340	Office Furniture & Equipment	15	0.0%	6.70%
341	Transportation Equipment	7	0.0%	14.30%
342	Stores Equipment	0	0.0%	0.00%
343	Tools, Shop, & Garage Equipment	16	0.0%	6.30%
344	Laboratory Equipment	15	0.0%	6.70%
345	Power Operated Equipment	13	0.0%	7.70%
346	Communication Equipment	11	0.0%	9.00%
347	Miscellaneous Equipment	15	0.0%	6.70%
348	Other Tangible Plant	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
	.....	0	0.0%	0.00%
Water Plant Composite Depreciation Rate *		0.00	0.0%	0.00%

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

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 WATER UTILITY EXPENSE ACCOUNTS
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	.1	.2
			Source of Supply & Expenses- Operation (d)	Source of Supply & Expenses- Maintenance (e)
		\$960,407	\$59,925	\$9,937
601	Salaries & Wages - Employees			
603	Salaries & Wages - Officers, Directors, & Majority Stockholders	73,295	0	0
		223,169	0	0
604	Employee Pensions & Benefits	58,707	XXXXXXXXXX	XXXXXXXXXX
605	Post-Retirement Benefits	0	0	XXXXXXXXXX
610	Purchased Water	495,187	158,908	XXXXXXXXXX
615	Purchased Power	6,555	0	XXXXXXXXXX
616	Fuel for Purchased Power	256,775	0	0
618	Chemicals	78,425	304	2,301
620	Materials & Supplies	23,256	19,671	0
631	Contractual Services - Engineering	22,635	0	0
632	Contractual Services - Accounting	14,978	0	0
633	Contractual Services - Legal	31,555	0	0
634	Contractual Services - Management Fees	608,970	17,556	33,703
635	Contractual Services - Other	28,050	0	0
641	Rental of Building/Real Property	4,739	0	0
642	Rental of Equipment	117,476	3,638	1,264
650	Transportation Expenses	23,042	0	0
656	Insurance - Vehicle	64,472	0	0
657	Insurance - General Liability	26,592	0	0
658	Insurance - Workman's Compensation	82,911	0	0
659	Insurance - Other	0	XXXXXXXXXX	XXXXXXXXXX
660	Advertising Expense			
666	Regulatory Commission Expense - Amortization of Rate Case Expense	2,539	0	0
667	Regulatory Commission Expense - Other	21,455	XXXXXXXXXX	XXXXXXXXXX
670	Bad Debt Expense	536,788	63,834	14,173
675	Miscellaneous Expense	58,897	0	0
619	Major Maintenance Expense	0	0	0
	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
	Total Water Utility Expenses	\$3,820,875	\$323,836	\$61,378

WATER EXPENSE ACCOUNT MATRIX

.3 Water Treatment Expenses- Operation (f)	.4 Water Treatment Expenses- Maintenance (g)	.5 Trans. & Distrib. Expenses- Operation (h)	.6 Trans. & Distrib. Expenses- Maintenance (i)	.7 Customer Accounts Expense (j)	.8 General & Admins. Expense (k)
\$231,508	\$96,503	\$73,994	\$151,139	\$106,509	\$230,892
0	0	0	0	0	73,295
0	0	0	0	0	223,169
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	58,707
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
273,183	XXXXXXXXXX	59,341	XXXXXXXXXX	870	2,885
6,555	XXXXXXXXXX	0	XXXXXXXXXX	0	0
256,775	0	0	0	XXXXXXXXXX	XXXXXXXXXX
3,303	17,170	1,310	30,938	6,568	16,531
3,585	0	0	0	0	0
0	0	0	0	0	22,635
0	0	0	0	0	14,978
0	0	0	0	0	31,555
2,428	43,339	33,251	151,293	276,746	50,654
0	0	0	0	0	28,050
1,303	237	12	0	492	2,695
15,640	15,424	10,847	37,858	12,345	20,460
0	0	0	0	0	23,042
0	0	0	0	0	64,472
0	0	0	0	0	26,592
0	0	0	0	0	82,911
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	0	0	0	0	2,539
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	21,455	XXXXXXXXXX
169,736	80,392	4,808	34,597	21,447	147,801
0	12,881	0	46,016	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$964,016	\$265,946	\$183,563	\$451,841	\$446,432	\$1,123,863

FLORIDA CITIES WATER COMPANY
FT MYERS - WATER
WATER OPERATING REVENUE
Year of Report - December 31, 1997

Acct. No. (a)	Description: (b)	Beginning Year No. Customers (c)	Year End No. Customers (d)	Amounts (e)
	Operating Revenues:			
460	Unmetered Water Revenue	0	0	\$995
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	15,085	15,689	3,485,711
461.2	Metered Sales to Commercial Customers	1,810	1,871	2,488,532
461.3	Metered Sales to Industrial Customers	0	0	0
461.4	Metered Sales to Public Authorities	16	17	92,117
461.5	Metered Sales to Multiple Family Dwellings	1,157	1,211	2,338,209
	Total Metered Revenue	<u>18,068</u>	<u>18,788</u>	<u>\$8,404,569</u>
	Fire Protection Revenue:			
462.1	Public Fire Protection	0	0	\$0
462.2	Private Fire Protection	0	0	176,366
	Total Fire Protection Revenue	<u>0</u>	<u>0</u>	<u>\$176,366</u>
464	Other Sales to Public Authorities	0	0	\$0
465	Sales to Irrigation Customers	0	0	0
466	Sales for Resale	0	0	0
467	Interdepartmental Sales	0	0	0
	Totals	<u>18,068</u>	<u>18,788</u>	<u>\$8,581,930</u>
	Other Water Revenue:			
469	Guaranteed Revenues			\$28,639
470	Forfeited Discounts			0
471	Miscellaneous Service Revenues			63,157
472	Rents from Water Property			0
473	Interdepartmental Rents			0
474	Other Water Revenues - Allow. for Funds Prudently Invested			0
	Total Other Water Revenue			<u>\$91,796</u>
	TOTAL WATER OPERATING REVENUES			<u>\$8,673,726</u>

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 WATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

SOURCE OF SUPPLY

List for each source of supply:	Green Meadows	College Pkwy	Waterway Estates	
Gallons per day of source	12,470,000	750,000	1,354,000	0
Type of source	Groundwater	Groundwater	Groundwater	.....
Auxiliary Power	1 Diesel Generator		1 Diesel Generator	

WATER TREATMENT FACILITIES

List for each water treatment facility:	See Exhibit "A", "C", and "E"			
Type
Make
Gallons per day capacity
High service pumping
Gallons per minute
Lime Treatment Unit Rating
Filtration
Pressure Sq. Ft.
Gravity GPD/Sq. Ft.
Auxiliary Power

RESERVOIRS

	SEE EXHIBIT "D"			
Description (steel, concrete or pneumatic)	.....	.....	.....	.....
Capacity of Tank	0	0	0	0
Ground or Elevated	.....	.....	.....	.....

FLORIDA CITIES WATER COMPANY
FT MYERS - WATER
PUMPING & PURCHASED WATER STATISTICS
 (Omit 000's)
 Year of Report - December 31, 1997

Month (a)	Water Purchased for Resale (b)	Finished Wtr. Pumped From Well (c)	Water Used for Line Flushing, Fighting Fires, Etc. (d)	Total Water Pumped & Purchased (b+c-d) (e)	Water Sold to Customers (f)
January	0	234,327	1,123	233,204	204,419
February	0	223,825	812	223,013	221,099
March	0	258,768	1,038	257,730	236,148
April	0	219,013	896	218,117	227,508
May	0	192,443	1,908	190,535	202,580
June	0	176,954	1,168	175,786	182,333
July	0	174,983	1,935	173,048	170,464
August	0	171,557	1,532	170,025	170,784
September	0	170,151	1,118	169,033	164,784
October	0	196,136	959	195,177	170,772
November	0	208,772	1,350	207,422	192,716
December	0	206,944	3,324	203,620	203,002
Total - Year	0	2,433,873	17,163	2,416,710	2,346,609

If water is purchased for resale, indicate the following:

Vendor: n/a

Point of Delivery: n/a

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

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

FLORIDA CITIES WATER COMPANY
 FT MYERS - WATER
 WATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

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. 32,143
 2. Estimated annual increase in ERC's *. 550
 3. List fire fighting facilities and capacities.
 Water Storage/High service pumping facilities/fire hydrants throughout the distribution system

 4. List percent of certified area where service connections are installed (total for
 each county). 75%

 5. What is the current need for system upgrading and/or expansion?
 See Exhibit "H"

 6. What are the plans for future system upgrading and/or expansion?
 See Exhibit "H"

 7. Have questions 6 and 7 been discussed with an engineer (if so, state name and
 address)?
 Yes, Company employed engineers

 8. Have questions 6 and 7 been discussed with the appropriate state sanitary
 engineering office?
 No

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

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (inches)	MAINS END OF YEAR (feet)
.....	0	0
See Exhibit "B"	0	0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
Total Feet of Mains	0	0

FLORIDA CITIES WATER COMPANY
FT MYERS - WATER
WATER SYSTEM INFORMATION
Year of Report - December 31, 1997

METERS AND CALCULATION OF METER EQUIVALENTS

Meter Size (a)	Type of Meter (b)	Equivalent Factor (c)	Number of Meters Start of Year (d)	Number of Meters End of Year (e)	Total No. of Meters Equivalents (c x e) (f)
5/8"	Displacement	1.0	17,238	18,195	18,195
3/4"	Displacement	1.5	0	0	0
1"	Displacement	2.5	560	579	1,448
1 1/2"	Displacement or Turbine	5.0	375	390	1,950
2"	Displacement, Compound or Turbine	8.0	345	348	2,784
3"	Displacement	15.0	0	0	0
3"	Compound	16.0	1	1	16
3"	Turbine	17.5	91	102	1,785
4"	Displacement or Compound	25.0	0	0	0
4"	Turbine	30.0	33	39	1,170
6"	Displacement or Compound	50.0	8	8	400
6"	Turbine	62.5	6	6	375
8"	Compound	80.0	0	0	0
8"	Turbine	90.0	1	1	90
10"	Compound	115.0	0	0	0
10"	Turbine	145.0	0	0	0
12"	Turbine	215.0	0	0	0
Total			18,658	19,669	28,213

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS
(ERC's)

$$\text{ERC's} = \left(\frac{2,346,609,000}{365} \right) / 350 \text{ gpd} = \underline{18,369} \text{ ERC's}$$

total gallons sold

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
SCHEDULE OF YEAR-END RATE BASE
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Water Utility (d)
	RATE BASE		
101	Utility Plant In Service	W-3	\$5,074,129
	Less:		
	Nonused & Useful Plant (1)	W-8	1,670,200
108.1	Accumulated Depreciation		6,444
110.1	Accumulated Amortization	W-4	3,223,198
271	Contributions In Aid of Construction (CIAC)	F-18	75,900
252	Advances for Construction		<u>98,387</u>
	Subtotal		
	Additions:		
272	Accumulated Amortization of CIAC	W-5 and W-5(a)	<u>1,246,927</u>
	Subtotal		<u>1,345,314</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-5	0
115	Accumul. Amortization of Acquisition Adj.(2)	F-5	69,373
	Working Capital Allowance (3)		8,307
	Other (Specify): Allocation of General Office Net Plant		0
	.....		<u>0</u>
	RATE BASE		<u>1,422,994</u>
	UTILITY OPERATING INCOME		<u>\$90,243</u>
	ACHIEVED RATE OF RETURN		<u>6.34%</u>

NOTES:

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

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
WATER OPERATING STATEMENT
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	Ref. Page (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	\$853,716	W-10
401	Operating Expenses	554,986	W-9
403	Depreciation Expense	72,602	W-8
405	Amortization of Utility Plant Acquisition Adjustment	0 0	
407	Amortization Expense	91,824	F-16
408.1	Taxes Other Than Income	39,742	F-16
409.1	Income Taxes	5,428	
410.10	Deferred Federal Income Taxes	761	
410.11	Deferred State Income Taxes	0	
411.10	Provision for Deferred Income Taxes - Credit	(1,870)	
412.10	Invest. Tax Credits Deferred to Future Periods	0	
412.11	Invest. Tax Credits Restored to Oper. Income Utility Operating Expenses	<u>763,473</u>	
	Utility Operating Income	90,243	
413	Income from Utility Plant Leased to Others	0	
414	Gains (Losses) from Disposal of Util. Property	0	
	Total Utility Operating Income	<u><u>\$90,243</u></u>	

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
WATER UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)
		\$0	\$0	\$0
301	Organization	3,513	0	0
302	Franchises	1,056	0	0
303	Land & Land Rights	152,110	10,203	0
304	Structures & Improvements	0	66,234	0
305	Collecting & Impounding Reservoirs	0	0	0
306	Lake, River, & Other Intakes	432,795	0	0
307	Wells & Springs	0	2,312	0
308	Infiltration Galleries & Tunnels	147,817	3,701	0
309	Supply Mains	1,905	0	0
310	Power Generation Equipment	511,959	0	0
311	Pumping Equipment	979,798	73,590	0
320	Water Treatment Equipment	421,435	0	0
330	Distribution Reservoirs & Standpipes	1,039,483	0	1,254
331	Transmission & Distribution Mains	462,026	138	0
333	Services	441,968	23,868	7,386
334	Meters & Meter Installations	53,181	0	0
335	Hydrants	3,655	0	0
339	Other Plant & Miscellaneous Equip.	125,913	12,027	7,460
340	Office Furniture & Equipment	2,241	0	0
341	Transportation Equipment	0	0	0
342	Stores Equipment	9,985	0	0
343	Tools, Shop, & Garage Equipment	6,912	1,452	0
344	Laboratory Equipment	29,723	973	916
345	Power Operated Equipment	36,196	25,711	0
346	Communication Equipment	819	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	6,446	0	0
340.1	Leasehold improvements	0	0	0
	.....	0	0	0
	Total Water Plant	\$4,870,936	\$220,209	\$17,016
		0	0	0
102	Utility Plant Leased to Others	0	0	0
103	Property Held for Future Use	0	0	0
104	Utility Plant Purchased or Sold	0	0	0
105	Construction Work in Progress	23,329	205,442	220,209
106	Completed Construction not Classified	0	0	0
	Total Utility Plant	\$4,894,265	\$425,651	\$237,225

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

WATER UTILITY PLANT MATRIX

Current Year (f)	.1 Intangible Plant (g)	.2 Source of Supply & Pumping Plant (h)	.3 Water Treatment Plant (i)	.4 Trans. & Distribution Plant (j)	.5 General Plant (k)
\$0	\$0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
3,513	3,513	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,056	XXXXXXXXXX	0	0	1,056	0
162,313	XXXXXXXXXX	139,359	22,268	686	0
66,234	XXXXXXXXXX	66,234	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
432,795	XXXXXXXXXX	432,795	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
2,312	XXXXXXXXXX	2,312	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
151,518	XXXXXXXXXX	151,518	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,905	XXXXXXXXXX	1,905	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
511,959	XXXXXXXXXX	511,959	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,053,388	XXXXXXXXXX	XXXXXXXXXX	1,053,388	XXXXXXXXXX	XXXXXXXXXX
421,435	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	421,435	XXXXXXXXXX
1,038,229	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,038,229	XXXXXXXXXX
462,164	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	462,164	XXXXXXXXXX
458,450	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	458,450	XXXXXXXXXX
53,181	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	53,181	XXXXXXXXXX
3,655	0	0	0	3,655	XXXXXXXXXX
130,480	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	130,480
2,241	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,241
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
9,985	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	9,985
8,364	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	8,364
29,780	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	29,780
61,907	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	61,907
819	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	819
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
6,446	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	6,446
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
<u>\$5,074,129</u>	<u>\$3,513</u>	<u>\$1,306,082</u>	<u>\$1,075,656</u>	<u>\$2,438,856</u>	<u>\$250,022</u>
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
8,562	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
<u>\$5,082,691</u>	<u>\$3,513</u>	<u>\$1,306,082</u>	<u>\$1,075,656</u>	<u>\$2,438,856</u>	<u>\$250,022</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
CONTRIBUTIONS IN AID OF CONSTRUCTION
Year of Report - December 31, 1997

Description (a)	Water (b)
<hr/> CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271) <hr/>	
Balance first of year	\$3,747,850
Add credits during year:	
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	11,640
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	0
Other Credits:	0
Transfer from AIAC	0
Transfer from Deferred AIAC	0
Process Fee	0
	<hr/> 0
Total Credits	<hr/> 11,640
Less: Debits charged during the year: (All debits charged during the year must be explained below)	0
	0
	<hr/> 0
Total Debits	<hr/> 0
Total Contributions in Aid of Construction	<u>\$3,759,490</u>
Reconciliation of CIAC per books to CIAC reported on (W-1):	
Balance end of year (as above)	\$3,759,490
Taxes paid on contributions for the years (1987-1990) charged to Accumulated Deferred Income	
Taxes on CIAC at December 31, 1997:	
Federal (256.17)	457,907
State (256.21)	78,385
Balance reported on (W-1)	<u>\$3,223,198</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
ACCOUNT DETAILS
Year of Report - December 31, 1997

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

Description (a)	No. of Connections (b)	Charge Per Connection (c)	Amount (d)
<hr/>			
Credits:			
Barefoot Bay - Water	40	VARIOUS	\$11,640

Total Credits	<u>\$11,640</u>
---------------	-----------------

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

Description (a)	Water (b)
<hr/>	
Balance first of year	\$1,299,608
Debits during year:	
Accruals charged to Acct. 272	123,827
Other debits (specify)	
Accruals credited to Deferred	
Income Taxes:	
Federal (256.18)	15,744
State (256.22)	2,688

Total Debits	<u>142,259</u>
--------------	----------------

Credits during year (specify):	0
	0

Total Credits	<u>0</u>
---------------	----------

Balance end of year	<u>\$1,441,867</u>
---------------------	--------------------

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
 AMORTIZATION OF CIAC PER BOOKS TO
 ACCUMULATED AMORTIZATION OF CIAC
 ON (W-4)

Description (a)	Water (b)
Balance end of year (W-5)	<u>\$1,441,867</u>
Amortization of taxes paid on Contributions for years (1987-1990) credited to Accumulated Deferred Income Taxes at December 31, 1997:	
Federal (256.18)	166,464
State (256.22)	<u>28,476</u>
Balance reported on (W-1)	<u>\$1,246,927</u>

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 BASIS FOR WATER DEPRECIATION CHARGES
 Year of Report - December 31, 1997

Acct. No.	Account Name	Average Service Life in Years	Average Net Salvage in Percent	Deprec. Rate Applied in Percent (100% - d)/c
(a)	(b)	(c)	(d)	(e)
304	Structures & Improvements	33	0.0%	3.00%
305	Collecting & Impounding Reservoirs	0	0.0%	0.00%
306	Lake, River, & Other Intakes	0	0.0%	0.00%
307	Wells & Springs	30	0.0%	3.30%
308	Infiltration Galleries & Tunnels	0	0.0%	0.00%
309	Supply Mains	35	0.0%	2.90%
310	Power Generation Equipment	0	0.0%	0.00%
311	Pumping Equipment	20	0.0%	5.00%
320	Water Treatment Equipment	22	0.0%	4.50%
330	Distribution Reservoirs & Standpipes	37	0.0%	2.70%
331	Transmission & Distribution Mains		0.0%	2.30%
333	Services	40	0.0%	2.50%
334	Meters & Meter Installations	20	0.0%	5.00%
335	Hydrants	46	0.0%	2.20%
339	Other Plant & Miscellaneous Equip.	25	0.0%	4.00%
340	Office Furniture & Equipment	15	0.0%	6.70%
341	Transportation Equipment	7	0.0%	15.00%
342	Stores Equipment	0	0.0%	0.00%
343	Tools, Shop, & Garage Equipment	16	0.0%	6.30%
344	Laboratory Equipment	15	0.0%	6.70%
345	Power Operated Equipment	13	0.0%	7.69%
346	Communication Equipment	11	0.0%	9.00%
347	Miscellaneous Equipment	15	0.0%	6.70%
348	Other Tangible Plant	0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0	0.0%	0.00%
		0.00	0.0%	0.00%
	Water Plant Composite Depreciation Rate *	0.00	0.0%	0.00%

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

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION
 Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Balance Beginning of Year (c)	Accruals (d)	Other Credits* (e)	Total Credits (d+e) (f)
304	Structures & Improvements	\$36,644	\$4,717	\$0	\$4,717
305	Collecting & Impounding Reservoirs	0	662	0	662
306	Lake, River, & Other Intakes	0	0	0	0
307	Wells & Springs	61,419	14,320	0	14,320
308	Infiltration Galleries & Tunnels	0	0	0	0
309	Supply Mains	35,545	4,340	0	4,340
310	Power Generation Equipment	(7,684)	95	0	95
311	Pumping Equipment	164,904	25,598	0	25,598
320	Water Treatment Equipment	323,548	45,747	0	45,747
330	Distribution Reservoirs & Standpipes	98,660	11,379	0	11,379
331	Transmission & Distribution Mains	373,601	23,894	0	23,894
333	Services	162,071	11,552	0	11,552
334	Meters & Meter Installations	83,362	22,510	0	22,510
335	Hydrants	15,503	1,170	0	1,170
339	Other Plant & Miscellaneous Equip.	1,127	146	0	146
340	Office Furniture & Equipment	44,808	15,493	0	15,493
341	Transportation Equipment	(1,352)	0	0	0
342	Store ^{es} Equipment	0	0	0	0
343	Tools, Shop, & Garage Equipment	5,274	629	0	629
344	Laboratory Equipment	5,309	512	0	512
345	Power Operated Equipment	27,462	2,478	0	2,478
346	Communication Equipment	36,113	4,415	0	4,415
347	Miscellaneous Equipment	(478)	1,297	0	1,297
348	Other Tangible Plant	29,306	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
Other	All Other UPIS	0	0	0	0
	Total Depreciable Water Plant In Service	<u>\$1,495,142</u>	<u>\$190,954</u>	<u>\$0</u>	<u>\$190,954</u>

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

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
WATER UTILITY EXPENSE ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	.1	.2
			Source of Supply & Expenses Operation (d)	Source of Supply & Expenses Maintenance (e)
601	Salaries & Wages - Employees	\$172,017	\$4,799	\$1,804
603	Salaries & Wages - Officers, Directors, & Majority Stockholders	11,424	0	0
604	Employee Pensions & Benefits	42,391	0	0
605	Post-Retirement Benefits	10,706	XXXXXXXXXX	XXXXXXXXXX
610	Purchased Water	0	0	XXXXXXXXXX
615	Purchased Power	34,186	3,814	XXXXXXXXXX
616	Fuel for Purchased Power	311	0	XXXXXXXXXX
618	Chemicals	24,181	0	0
620	Materials & Supplies	11,617	11	552
631	Contractual Services - Engineering	285	200	0
632	Contractual Services - Accounting	4,723	0	0
633	Contractual Services - Legal	2,772	0	0
634	Contractual Services - Management Fees	4,925	0	0
635	Contractual Services - Other	65,668	3,037	4,876
641	Rental of Building/Real Property	9,319	0	0
642	Rental of Equipment	2,888	0	0
650	Transportation Expenses	23,320	1,036	238
656	Insurance - vehicle	3,596	0	0
657	Insurance - General Liability	10,094	0	0
658	Insurance - Workman's Compensation	4,918	0	0
659	Insurance - Other	12,980	0	0
660	Advertising Expense	0	XXXXXXXXXX	XXXXXXXXXX
666	Regulatory Commission Expense - Amortization of Rate Case Expense	30,651	XXXXXXXXXX	XXXXXXXXXX
667	Regulatory Commission Expense - Other	500	0	0
670	Bad Debt Expense	1,752	XXXXXXXXXX	XXXXXXXXXX
675	Miscellaneous Expense	60,399	658	314
619	Major Maintenance Expense	9,363	0	0
	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
	Total Water Utility Expenses	\$554,986	\$13,555	\$7,784

WATER EXPENSE ACCOUNT MATRIX

.3 Water Treatment Expenses Operation (f)	.4 Water Treatment Expenses Maintenance (g)	.5 Trans. & Distrib. Expenses Operation (h)	.6 Trans. & Distrib. Expenses Maintenance (i)	.7 Customer Accounts Expense (j)	.8 General & Adminis. Expense (k)
\$47,509	\$37,658	\$4,651	\$1,440	\$35,590	\$38,566
0	0	0	0	0	11,424
0	0	0	0	0	42,391
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	10,706
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
25,039	XXXXXXXXXX	4,376	XXXXXXXXXX	442	515
311	XXXXXXXXXX	0	XXXXXXXXXX	0	0
24,181	0	0	0	XXXXXXXXXX	XXXXXXXXXX
2,325	482	1,504	2,054	2,656	2,033
85	0	0	0	0	0
0	0	0	0	0	4,723
0	0	0	0	0	2,772
0	0	0	0	0	4,925
706	1,920	536	4,770	40,273	9,550
0	0	0	0	3,463	5,856
2,046	0	0	0	382	460
7,065	4,837	863	380	4,865	4,038
0	0	0	0	0	3,596
0	0	0	0	0	10,094
0	0	0	0	0	4,918
0	0	0	0	0	12,980
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	30,651
0	0	0	0	0	500
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,752	XXXXXXXXXX
24,687	3,098	658	456	6,217	24,311
0	9,363	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$133,954</u>	<u>\$57,356</u>	<u>\$12,588</u>	<u>\$9,100</u>	<u>\$95,640</u>	<u>\$225,009</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
WATER OPERATING REVENUE
Year of Report - December 31, 1997

Acct. No. (a)	Description (b)	Beginning Year No. Customers (c)	Year End Number Customers (d)	Amounts (e)
Operating Revenues:				
460	Unmetered Water Revenue	0	0	\$48
Metered Water Revenue:				
461.1	Metered Sales to Residential Customers	4,503	4,514	833,612
461.2	Metered Sales to Commercial Customers	54	50	28,817
461.3	Metered Sales to Industrial Customers	0	0	0
461.4	Metered Sales to Public Authorities	0	0	0
461.5	Metered Sales to Multiple Family Dwellings	0	0	0
	Total Metered Revenue	<u>4,557</u>	<u>4,564</u>	<u>\$862,429</u>
Fire Protection Revenue:				
462.1	Public Fire Protection	0	0	\$0
462.2	Private Fire Protection	0	0	0
	Total Fire Protection Revenue	<u>0</u>	<u>0</u>	<u>\$0</u>
464	Other Sales to Public Authorities	0	0	\$0
465	Sales to Irrigation Customers	0	0	0
466	Sales for Resale	0	0	0
467	Interdepartmental Sales	0	0	0
	Totals	<u>4,557</u>	<u>4,564</u>	<u>\$862,477</u>
Other Water Revenue:				
469	Guaranteed Revenues			\$0
470	Forfeited Discounts			0
471	Miscellaneous Service Revenues			6,017
N/A	Reduction in Metered Water Revenue Applicable to Reuse Revenue*			(14,778)
472	Rents from Water Property			0
473	Interdepartmental Rents			0
474	Other Water Revenues - Allow. for Funds Prudently Invested			0
	Total Other Water Revenue			<u>(\$8,761)</u>
	TOTAL WATER OPERATING REVENUES			<u>\$853,716</u>

* Transfer Reuse Revenue to Miscellaneous Wastewater Revenue (See S-10) at the Rate of \$.10 per 1,000 Gallons Sold. (.10 x 147,781 = \$14,778) per Order No. PSC-96-1147-FOF-WS (Page 58), Issued 9/12/96, Docket No. 951258.

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 WATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

SOURCE OF SUPPLY

List for each source of supply:

Gallons per day of source	1.15 MGD
Type of source	Groundwater
Auxiliary Power	Diesel Generator

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	Lime Softening	.....	.....
Make	General Filter	.....	.....
Gallons per day capacity	1.0 MGD	.....	.....
High service pumping		.....	.....
Gallons per minute	See Exhibit "C" AND "B"	.....	.....
Lime Treatment Unit Rating	1.0 MGD 694 (GPM)	.....	.....
Filtration		.....	.....
Pressure Sq. Ft.	.....	.....	.....
Gravity GPD/Sq. Ft.	3,125	.....	.....
Auxiliary Power	Diesel	.....	.....

RESERVOIRS

Description (steel, concrete or pneumatic)	Steel	Steel	Concrete	.....
Capacity of Tank	0.300 MG	0.005 MG	0.500 MG	0
Ground or Elevated	Ground	Hydro Pneumatic	Ground	.....

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 PUMPING & PURCHASED WATER STATISTICS
 (Omit 000's)
 Year of Report - December 31, 1997

Month (a)	Water Purchased for Resale (b)	Finished Wtr Pumped from Well (c)	Water Used for Line Flushing, Fighting Fires, Etc. (d)	Total Wtr. Pumped & Purchased (b+c+d) (e)	Water Sold to Customers (f)
January	0	16,457	712	15,745	14,335
February	0	16,167	199	15,968	14,554
March	0	17,657	246	17,411	14,640
April	0	14,284	92	14,192	14,820
May	0	12,400	696	11,704	14,097
June	0	10,206	163	10,043	10,789
July	0	10,665	289	10,376	10,695
August	0	9,726	186	9,540	10,377
September	0	10,208	145	10,063	9,558
October	0	12,341	676	11,665	10,171
November	0	12,826	188	12,638	12,468
December	0	12,715	156	12,559	11,277
Total - Year	0	155,652	3,748	151,904	147,781

If water is purchased for resale, indicate the following:

Vendor: N/A

Point of Delivery: N/A

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

.....

.....

.....

.....

.....

.....

.....

.....

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WATER
 WATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

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. 2,857
 2. Estimated annual increase in ERC's *. 20
 3. List fire fighting facilities and capacities.
 Water storage/high service pumping facilities/fire hydrants throughout the distribution system

 4. List percent of certified area where service connections are installed (total for
 each county). 100%

 5. What is the current need for system upgrading and/or expansion?
 As required

 6. What are the plans for future system upgrading and/or expansion?

 7. Have questions 5 and 6 been discussed with an engineer (if so, state name and
 address)?
 Yes, Company employed engineers

 8. Have questions 5 and 6 been discussed with the appropriate state sanitary
 engineering office?
 Yes

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

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (inches)	MAINS END OF YEAR (feet)
.....	0	0
See Exhibit "A"	0	0
.....	0	0
.....	0	0
.....	0	0
.....	0	0
Total Feet of Mains	0	0

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WATER
WATER SYSTEM INFORMATION
Year of Report - December 31, 1997

METERS AND CALCULATION OF METER EQUIVALENTS

Meter Size (a)	Type of Meter (b)	Equivalent Factor (c)	No. of Mtrs. Start of Year (d)	End of Year (e)	Total No. of Meters Equivalents (c x e) (f)
5/8"	Displacement	1.0	4,590	4,611	4,611
3/4"	Displacement	1.5	0	0	0
1"	Displacement	2.5	13	13	33
1 1/2"	Displacement or Turbine	5.0	1	1	5
2"	Displacement, Compound or Turbine	8.0	9	9	72
3"	Displacement	15.0	0	0	0
3"	Compound	16.0	0	0	0
3"	Turbine	17.5	0	0	0
4"	Displacement or Compou	25.0	0	0	0
4"	Turbine	30.0	0	0	0
6"	Displacement or Compou	50.0	0	0	0
6"	Turbine	62.5	0	0	0
8"	Compound	80.0	0	0	0
8"	Turbine	90.0	0	0	0
10"	Compound	115.0	0	0	0
10"	Turbine	145.0	0	0	0
12"	Turbine	215.0	0	0	0
Total			4,613	4,634	4,721

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS (ERC's)

$$\text{ERC's} = (147,781,000 / 365) / 350 \text{ gpd} = \underline{\quad 1,157 \text{ ERC's}} \quad$$

total gallons sold

EXHIBIT "A"

WATER MAINS
 FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY DIVISION

<u>PIPE SIZE/TYPE</u>	<u>BEGINNING OF 1997</u>	<u>ADDED (FEET)</u>	<u>RETIRED (FEET)</u>	<u>END OF 1997 (FEET)</u>
12" AC	45	0	0	45
10"AC	15,347	0	0	15,347
8" AC	8,521	0	0	8,521
6" AC	22,663	0	0	22,663
10"PVC	5,430	0	0	5,430
8"PVC	12,600	10	10	12,600
6"PVC	32,630	1160	0	33,790
4"PVC	1,900	0	0	1,900
3"PVC	69,620	0	0	69,620
2"PVC	32,541	0	0	32,541
10"DIP	276	0	0	276
8" CI	116	0	0	116
6" CI	246	0	0	246
2" GALV	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	201,935	1170	10	203,095

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY

WELL #	YEAR INST.	TYPE OF WELL	WELL BORE HOLE	DEPTH OF WELL	CASING MAT'L	CASING DIAM.	CASING DEPTH	PUMP DIA	PUMP DESIGN	ACTUAL PUMP CAP
1	1958	8" SS screen w/gravel pack	10	98	carbon steel	8	60	4	160	160
2	1958	8"SS screen w/ gravel pack	10	98	carbon steel	8	73	4	130	150
3	1971	10" SS screen w/ gravel pack	14	100	carbon steel	10	60	4	155	150
4	1971	10" SS screen w/ gravel pack	14	100	carbon steel	10	60	4	120	120
6	1983	12" SS screen w/ gravel pack	18	100	carbon steel	12	60	4	130	160
7	1988	12" SS screen w/ gravel pack	18	100	carbon steel	12	60	4	150	150
8	1988	12" SS screen w/ gravel pack	18	100	carbon steel	12	60	4	125	125
9	1997	12"SS screen w/ gravel pack	18	92	carbon	12	67	6	150	190

EXHIBIT "C"

HIGH SERVICE PUMPING
 FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY DIVISION

WATER TREATMENT PLANT

STORAGE TANK/BOOSTER STATION

MOTORS	HS PUMP NO. 1	HS PUMP NO. 2	HS PUMP NO. 3	HS PUMP NO. 4	HS PUMP NO. 1	HS PUMP NO. 2	HS PUMP NO. 3	HS PUMP NO. 4
MFG	US ELECTRIC	US ELECTRIC	US ELECTRIC	US ELECTRIC	US ELECTRIC	US ELECTRIC	US ELECTRIC	US ELECTRIC
TYPE	VHS	VHS	VHS	VHS	VHS	VHS	VHS	VHS
RATED HP	20	25	25	25	25	15	15	25

AMPS	PEABODY	PEABODY	PEABODY	PEABODY	PEERLESS	PEERLESS	PEERLESS	PEERLESS
MFG	PEABODY	PEABODY	PEABODY	PEABODY	PEERLESS	PEERLESS	PEERLESS	PEERLESS
TYPE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE
CAPACITY GPM	200	350	350	350	650	240	250	650
HR/DAY	12	8	8	8	2	3	3	2
X POWER	*	*	*	*	**	**	**	**

* DIESEL ENGINE EMERGENCY GENERATOR SUPPLIES AUXILIARY POWER TO WTP
 ** CONNECTION FOR PORTABLE EMERGENCY GENERATOR

EXHIBIT "A"

WATER TREATMENT PLANT
FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION

GREEN MEADOWS WTP

Type Treatment: Aeration, Solids contact unit (lime softening), rapid anthracite and sand filtration, chloramine disinfection

Lime Treatment: Unit Rating: 2 Units @ 3125 gpm each
Manufacturer: General Filter Company

Filtration: Type: Gravity
Area: 4 Units @ 361 sq. ft. each
Filtration Rate: 4.3 gpm/ sq. Ft.

Capacity: Total 9 MGD

COLLEGE PARKWAY WTP

Type Treatment: Aeration, solids contact unit (lime softening), rapid anthracite and sand filtration, chlorine disinfection

Lime Treatment: Unit rating: 1 Unit @ 1042 gpm
Manufacturer: Permutit Company

Filtration: Type: Gravity
Area: 2 Units @ 215 sq. ft. each
Filtration Rate: 2.3 gpm/sq.ft.

Capacity: Treatment capacity of 1.50 MGD as determined by the Florida Department of Environmental Protection. Supply capacity of 0.75 MGD as determined by the South Florida water Management district.

WATERWAY ESTATES WTP

Type Treatment: Aeration, solids contact unit (lime softening), rapid anthracite with sand filtration, chloramine disinfection and re-carbonation.

Lime Treatment: Unit rating: 1 Unit @ 1042 gpm
Manufacturer: General Filter Company

Filtration: Type: Gravity
Area: 4 Units @ 256 sq. ft. Total
Filtration Rate: 4.07 gpm/sq.ft.

Capacity: Treatment capacity of 1.50 MGD as determined by the Florida Department of Environmental Protection. Supply capacity (Firm well capacity) of 1.354 MGD as determined by the South Florida Water Management District.

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
WATER MAINS**

NORTH AND SOUTH

<u>PIPE SIZE</u>	<u>BEGINNING OF 1997 LF</u>	<u>ADDED LF</u>	<u>DELETED LF</u>	<u>END OF 1997 LF</u>
30" DIP	11,800			11,800
24" DIP	24,001			24,001
24" PVC	47,010			47,010
20" DIP	930			930
18" DIP	150			150
18" AC	3,040			3,040
16" DIP/SC	82,656	90		82,746
16" PVC	5,000	3,200		8,200
16" AC	86,529			86,529
14" AC	7,020			7,020
12" DIP	18,253	84		18,337
12" AC/PVC	94,599	7,439		102,038
10" DIP	38,850	7,145		45,995
10" AC/PVC	249,974	10,511		260,485
8" DIP	76,274	1,504		77,778
8" AC/PVC	314,966	16,087		331,053
6" DIP	23,922	295		24,217
6" AC/PVC	325,514	722		326,236
4" DIP	5,294	173		5,467
4" AC/PVC	117,399	543		117,942
3" DIP	1,034			1,034
3" AC/PVC	70,829			70,829
2 1/2" PVC	4,170			4,170
2" DIP	65			65
2" PVC	129,130			129,130
1 1/2" PVC	460			460
1" PVC	830			830
TOTAL	1,739,699	47,793		1,787,492
FIRE HYDRANTS	1,618	111		1729

EXHIBIT "C"

WELL DATA
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

GREEN MEADOWS

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MAT'L (inches)	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
Yes	GM-1	1974	Open Hole	180	Carbon Steel	16/10	90	8	500	500	40
Yes	GM-1D	1983	Open Hole	20/40	Carbon Steel	10	14	8	200	200	20
Yes	GM-2	1974	SS Screen w/Gravel Pack	190	Carbon Steel	16/10	90	8	500	500	40
Yes	GM-2A	1983	Open Hole	20/38	Carbon Steel	10	20	8	200	200	20
Yes	GM-3	1975	Open Hole	100/19	Carbon Steel	16	100	8	500	500	40
Yes	GM-3A	1983	Open Hole	23/42	Carbon Steel	10	17	8	200	200	20
Yes	GM-3B	1983	Open Hole	22/42	Carbon Steel	10	22	8	200	200	20
No	GM-4	1975	Open Hole	104/18	Carbon Steel	16	105	8	500	500	40
No	GM-4A	1983	Open Hole	23/43	Carbon Steel	10	20	8	200	200	25
No	GM-5	1981	Open Hole	180	Carbon Steel	16	102	8	500	500	40

EXHIBIT "C"

WELL DATA
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

COLLEGE PARKWAY

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MAT'L	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
No	CP-2		8" SS Scr w/Gravel Pck	230	Carbon Steel	8	126	Sub Pump	100	100	7.5
No	CP-3		8" SS Scr w/Gravel Pck	220	Carbon Steel	8	135	Sub Pump	100	100	7.5
No	CP-4		8" SS Scr w/Gravel Pck	220	Carbon Steel	8	100	Sub Pump	70	60	5
No	CP-5 (Well Plugged)										
No	CP-6		8" SS Scr w/Gravel Pck	260	Carbon Steel	8	126	Sub Pump	70	70	5
No	CP-7		8" SS Scr w/Gravel Pck	220	Carbon Steel	8	126	Sub Pump	100	100	7.5
No	CP-8		8" SS Scr w/Gravel Pck	224	Carbon Steel	8	130	Sub Pump	110	150	7.5
No	CP-13 (Well Plugged)										
No	CP-14		8" SS Scr w/Gravel Pck	220	Carbon Steel	8	130	Sub Pump	90	90	5
No	CP-17		8" SS Scr w/Gravel Pck	285	Carbon Steel	8	220	6	180	180	15

EXHIBIT "C"

WELL DATA
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

COLLEGE PARKWAY

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MATE'L	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
No	CP-18	(Well Plugged)									
No	CP-12	(Well Plugged)									
No	CP-15		9 SS Scr	220	Carbon Steel	8	120	Sub Pump	150	150	10

EXHIBIT "C"

WELL DATA
FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION

WATERWAY ESTATES

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MATERIAL	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
	WWE-1	1957	8" SS Scr w/Gravel Pck	140/220	PVC	8	30	4"	40	40	3 hp Sub
	WWE-2	1957	Open Hole	57	Carbon Steel	8	42	4"	60	75	5 hp Sub
	WWE-3	1966	Open Hole	130	Carbon Steel	6	120	4"	30	25	2 hp Sub
	WWE-4	1966	8" SS Scr w/Gravel Pck	52	Carbon Steel	8	48	4"	65	50	3 hp Sub
	WWE-6	1971	Open Hole	124	Carbon Steel	8	124	4"	60	40	5 hp Sub
	WWE-8	1970	Open Hole	43	Carbon Steel	8	43	4"	60	40	3 hp Sub
	WWE-9	1971	Open Hole Steel	230	Carbon Steel	8	125	4"	80	35	3 hp Sub
	WWE-10	1972	Open Hole	140	Carbon Steel	8	133	4"	30	20	3 HP Sub
	WWE-11	1983	Open Hole	230	Carbon Steel	10	133	4"	120	85	5 hp Sub
	WWE-12	1983	10" SS Scr w/Gravel Pck	70	Carbon Steel	10	30	4"	65	60	3 hp Sub

WELL DATA
FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION

WATERWAY ESTATES

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MATT'L	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
	WWE-13	1983	10" SS Scr w/Gravel Pck	80	Carbon Steel	10	50	4	30	25	1.5
	WWE-14	1983	Open Hole	230	Carbon Steel	10	136	4	75	65	5
	WWE-15	1988	PVC	208	Sch 40 PVC	10	160	2	120	75	5
	WWE-1D	1989	Open Hole	600	Sch 40 PVC	4	300	4	200	110	7.5
	NC-1	1970	8" SS Scr w/Gravel Pck	240	Carbon Steel	8	140	3	90	75	5
	NC-2	1975	8" SS Scr w/Gravel Pck	240	Carbon Steel	8	140	3	125	70	7.5
	NC-9	1975	8" SS Scr w/Gravel Pck	225	Carbon Steel	8	140	3	125	95	7.5

WELL DATA
FLORIDA CITEC WATER COMPANY
LEE COUNTY DIVISION

GREEN MEADOWS

EXHIBIT "C"

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MATERIAL	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
No	GM-5A	1991	Open Hole	24	Sch 40 Steel	10	10	8	200	200	15 Sub
No	GM-6	1981	10" SS Scr w/Gravel Pck	235	Carbon Steel	16	90	8	350	350	25
No	GM-6A	1991	Open Hole	24	Sch 40 Steel	10	20	6	200	200	15 Sub
No	GM-7	1981	10" SS Scr w/Gravel Pck	235	Carbon Steel	16	90	8	500	500	30
No	GM-7A	1991	Open Hole	45	Sch 40 Steel	10	21	6	200	200	15 Sub
No	GM-8	1989	10" SS Scr w/Gravel Pck	190	Carbon Steel	16	90	8	500	500	40
No	GM-8A	1989	Open Hole	42	Carbon Steel	10	20	8	200	200	25
No	GM-9	1983	10" SS Scr w/Gravel Pck	230	Carbon Steel	16	91	6	200	200	40
No	GM-9A	1983	Open Hole	42	Carbon Steel	10	10	20	8	500	25

**WELL DATA
FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION**

GREEN MEADOWS

AUX POWER	WELL NO.	YEAR INSTALLED	TYPE OF WELL	DEPTH OF WELL (ft.)	CASING MAT'L	CASING DIAMETER (inches)	CASING DEPTH (ft.)	PUMP DIA. (inches)	PUMP DESIGN CAP (gpm)	ACTUAL PUMP CAP (gpm)	MOTOR H.P. ELECTRIC TYPE
No	GM-10	1990	10" SS Scr w/Gravel Pck	200	Carbon Steel	16		90	8	500	50
No	GM-10A	1990	Open Hole	40	Carbon Steel	10	20	8	200	200	40
No	GM-11	1990	10" SS Scr w/Gravel Pck	210	Carbon Steel	16	90	8	500	500	50
No	GM-11A	1990	Open Hole	40	Carbon Steel	10	20	8	200	200	40
No	GM-12	1991	10" SS Scr	90	Sch 40 Steel	16	92	6	500	500	60 Sub
No	GM-12A	1991	10" Hole	25	Sch 40 Steel	10	20	6	200	200	50 Sub
No	GM-13	1991	10" SS Scr	92	Sch 40 Steel	16	92	6	500	500	60 Sub
No	GM-13A	1991	10" Hole	25	Sch 40 Steel	10	20	6	200	200	50 Sub

EXHIBIT "D"

RESERVOIRS
FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION

<u>CAPACITY</u>	<u>CONSTRUCTION</u>	<u>LOCATION</u>
2.0 MG	Steel	Miner's Corner PS
1.0 MG	Masonry	College Parkway WTP
0.5 MG	Masonry	College Parkway WTP
1.0 MG	Masonry	Alico Road PS
0.5 MG	Steel	North Ft. Myers Beach PS
1.0 MG	Masonry	South Ft. Myers Beach PS
1.0 MG	Masonry	Waterway Estates WTP

NOTE: All the reservoirs are ground storage tanks.

EXHIBIT "E"

HIGH SERVICE PUMPING
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

COLLEGE PARKWAY WTP GREEN MEADOWS WTP

HIGH SERVICE PUMP

NO.1 NO.2 NO.3 NO.4

MOTORS

Manufacturer	Lincoln	GE	Lincoln	GE	GE	GE
Type	Lincoln	GE	Lincoln	GE	GE	GE
Rated HP	60	30	100	300	300	300

PUMPS

Manufacturer	Peerless	Worthington	Peerless	Allis-Chalmers	Allis-Chalmers	Allis-Chalmers
Capacity, GPM	1,000	500	1,500	2,100	2,100	2,100
Average Hr/Day	4	8	2	12	12	12

AUXILIARY GENERATOR AUXILIARY GENERATOR

EXHIBIT "E"

HIGH SERVICE PUMPING
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

MARINA
BOOSTER STATION

ALICO PUMPING STATION

MINER'S CORNER PUMPING STATION

HS PUMP NO.1 HS PUMP NO.2

HS PUMP NO.1 HS PUMP NO.2 HS PUMP NO.3

HS PUMP NO.1 HS PUMP NO.2 HS PUMP NO.3 HS PUMP NO.4

MOIORS

Manufacturer	Type	Rated HP	US	Elec	30	30	30	30	US	Elec	125	125	125	US	Elec	30	30

PUMPS

Manufacturer	Capacity, GPM	Average Hr/Day	Auxiliary Power	Peerless	700	700	700	700	Peerless	4,200	1,250	1,250	1,250	Peerless	2,000	2,000	Layne

EXHIBIT "E"

HIGH SERVICE PUMPING
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

NORTH FORT MYERS BEACH PUMPING STATION	SOUTH FORT MYERS BEACH PUMPING STATION
HS PUMP NO. 1 NO. 2 NO. 3	HS PUMP NO. 1 NO. 2 NO. 3
HS PUMP NO. 1 NO. 2 NO. 3	HS PUMP NO. 1 NO. 2 NO. 3

MOIORS

Manufacturer	N/A	Lincoln	Marathon	US	US	US
Type	N/A	Elec	Elec	Elec	Elec	Elec
Rated HP	N/A	75	50	30	50	75

PUMPS

Manufacturer	Aurore	Goulds	Aurore	Gould	Gould	Gould
Capacity, GPM	850	875	500	350	675	1,200
Average Hr/Day	Aux.	12	12	10	5	1

Auxiliary Power

LP
 Aux. Eng.
 Hercules
AUXILIARY GENERATOR.....

EXHIBIT "E"

HIGH SERVICE PUMPING
 FLORIDA CITIES WATER COMPANY
 LEE COUNTY DIVISION

WATERWAY ESTATES WTP

HS PUMP NO. 106 HS PUMP NO. 107 HS PUMP NO. 108 HS PUMP NO. 109 HS PUMP NO. 110

MOTORS

Manufacturer	US	Leeson	Westinghouse	Westinghouse	Westinghouse
Type	Elec	Elec	Elec	Elec	Elec
Rated HP	20	30	75	75	75

PUMPS

Manufacturer	Ingersoll Rand	Ingersoll Rand	Ingersoll Rand	Ingersoll Rand	Ingersoll Rand
Capacity, GPM	150	380	1,200	1,200	1,200
Avg. Hr/Day	8	8	6	6	6

Auxiliary PowerAUXILIARY GENERATOR.....

**WASTEWATER
OPERATION
SECTION**

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
SCHEDULE OF YEAR-END RATE BASE
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Wastewater Utility (d)
	RATE BASE		
101	Utility Plant In Service	S-3	\$13,516,187
	Less:		
	Nonused & Useful Plant (1)		
108.1	Accumulated Depreciation	S-8	4,152,629
110.1	Accumulated Amortization		250
271	Contributions In Aid of Construction (CIAC)	S-4	3,271,266
252	Advances for Construction	F-18	6,092,042
	Subtotal		<u>6,092,042</u>
	Additions:		
272	Accumulated Amortization of CIAC	S-5 & S-5(a)	1,605,131
	Subtotal		<u>7,697,173</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-5	0
115	Accumul. Amortization of Acquisition Adj.(2)	F-5	103,547
	Working Capital Allowance (3)		47,424
	Other (Specify): Allocation of General Office Net Plant		0
	.....		0
	.....		0
	RATE BASE		<u>7,848,144</u>
	UTILITY OPERATING INCOME		<u>\$631,302</u>
	ACHIEVED RATE OF RETURN		<u>8.04%</u>

NOTES:

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

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
WASTEWATER OPERATING STATEMENT
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	Ref. Page (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	\$2,357,058	S-10
401	Operating Expenses	828,376	S-9
403	Depreciation Expense	486,064	S-8
406	Amortization of Utility Plant Acquisition Adjustment	0 0	
407	Amortization Expense	257,219	F-16
408.1	Taxes Other Than Income	165,808	F-16
409.1	Income Taxes	(3,508)	
410.10	Deferred Federal Income Taxes	(105)	
410.11	Deferred State Income Taxes	0	
411.10	Provision for Deferred Income Taxes - Credit	(8,098)	
412.10	Invest. Tax Credits Deferred to Future Periods	0	
412.11	Invest. Tax Credits Restored to Oper. Income	0	
	Utility Operating Expenses	<u>1,725,756</u>	
	Utility Operating Income	631,302	
413	Income from Utility Plant Leased to Others	0	
414	Gains (Losses) from Disposal of Util. Property	0	
	Total Utility Operating Income	<u>\$631,302</u>	

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
WASTEWATER UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)
		\$0	\$0	\$0
351	Organization	250	0	0
352	Franchises	5,000	0	0
353	Land & Land Rights	746,910	24,047	21,422
354	Structures & Improvements	2,307,011	43,199	0
360	Collection Sewers - Force	899,000	31,154	0
361	Collection Sewers - Gravity	2,505	0	0
362	Special Collecting Structures	170,330	1,067	0
363	Services to Customers	10,042	0	0
364	Flow Measuring Devices	0	0	0
365	Flow Measuring Installations	86,915	11,361	0
370	Receiving Wells	785,772	58,747	9,640
371	Pumping Equipment	7,273,230	4,305	0
380	Treatment & Disposal Equipment	3,874	0	0
381	Plant Sewers	809,863	0	0
382	Outfall Sewer Lines	140,234	0	0
389	Other Plant & Miscellaneous Equip.	19,159	16,944	0
390	Office Furniture & Equipment	0	0	0
391	Transportation Equipment	0	0	0
392	Stores Equipment	4,230	0	0
393	Tools, Shop, & Garage Equipment	11,902	5,040	0
394	Laboratory Equipment	39,538	0	0
395	Power Operated Equipment	18,890	0	0
396	Communication Equipment	0	13,368	0
397	Miscellaneous Equipment	3,362	0	0
398	Other Tangible Plant	0	0	0
		0	0	0
		0	0	0
		0	0	0
	Total Wastewater Plant	\$13,338,017	\$209,232	\$31,062
		0	0	0
102	Utility Plant Leased to Others	0	0	0
103	Property Held for Future Use	0	0	0
104	Utility Plant Purchased or Sold	0	0	0
105	Construction Work in Progress	3,130	238,071	209,232
106	Completed Construction not Classified	0	0	0
	Total Utility Plant	\$13,341,147	\$447,303	\$240,294

NOTE: Any adj's made to reclass property from one account to another must be footnoted

WASTEWATER UTILITY PLANT MATRIX

Current Year (f)	.1 Intangible Plant (g)	.2 Collection Plant (h)	.3 System Pumping Plant (i)	.4 Treatment & Disposal Plant (j)	.5 General Plant (k)
\$0	\$0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
250	250	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
5,000	XXXXXXXXXX	0	1,200	3,800	0
749,535	XXXXXXXXXX	39,530	167,536	542,469	0
2,350,210	XXXXXXXXXX	2,350,210	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
930,154	XXXXXXXXXX	930,154	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
2,505	XXXXXXXXXX	2,505	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
171,397	XXXXXXXXXX	171,397	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
10,042	XXXXXXXXXX	10,042	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
98,276	XXXXXXXXXX	XXXXXXXXXX	98,276	XXXXXXXXXX	XXXXXXXXXX
834,879	XXXXXXXXXX	XXXXXXXXXX	834,879	XXXXXXXXXX	XXXXXXXXXX
7,277,535	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,277,535	XXXXXXXXXX
3,874	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	3,874	XXXXXXXXXX
809,863	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	809,863	XXXXXXXXXX
140,234	0	0	0	140,234	XXXXXXXXXX
36,103	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	36,103
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
4,230	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	4,230
16,942	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	16,942
39,538	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	39,538
18,890	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	18,890
13,368	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	13,368
3,362	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	3,362
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
<u>\$13,516,187</u>	<u>\$250</u>	<u>\$3,503,838</u>	<u>\$1,101,891</u>	<u>\$8,777,775</u>	<u>\$132,433</u>
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
31,969	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
<u>\$13,548,156</u>	<u>\$250</u>	<u>\$3,503,838</u>	<u>\$1,101,891</u>	<u>\$8,777,775</u>	<u>\$132,433</u>

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
CONTRIBUTIONS IN AID OF CONSTRUCTION
Year of Report - December 31, 1997

Description (a)	Wastewater (b)
<hr/> <hr/>	
CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)	
Balance first of year	\$3,451,313
Add credits during year:	
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	46,980
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	24,588
Other Credits:	
Transfer from AIAC	0
Transfer from Deferred AIAC	0
Process Fee	500
	<hr/>
Total Credits	72,068
Less: Debits charged during the year: (All debits charged during the year must be explained below)	0
	0
	0
Total Debits	<hr/> 0
Total Contributions in Aid of Construction	<u>\$3,523,381</u>
Reconciliation of CIAC per books to CIAC reported on (S-1):	
Balance end of year (as above)	\$3,523,381
Taxes paid on contributions for the years (1987-1990) charged to Accumulated Deferred Income	
Taxes on CIAC at December 31, 1997:	
Federal (256.17)	215,428
State (256.21)	36,687
Balance reported on (S-1)	<u>\$3,271,266</u>

FLORIDA CITIES WATER COMPANY
 NORTH FT MYERS - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

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

DESCRIPTION (a)	Number of Connections (b)	Charge Per Connection (c)	Amount (d)
Credits:			
North Lee County - Wastewater	26	Various	\$46,980
.....			
.....			
.....			
Total Credits			<u>\$46,980</u>

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

Description (a)	Wastewater (b)
Balance first of year	\$1,527,973
Debits during year:	
Accruals charged to Acct. 272	152,173
Other Debits (specify)	
Accruals charged to Deferred	
Income Taxes:	
Federal (256.18)	7,404
State (256.22)	1,260
Total Debits	<u>160,837</u>
Credits during year (specify):	0
	0
Total Credits	<u>0</u>
Balance end of year	<u>\$1,688,810</u>

FLORIDA CITIES WATER COMPANY
 NORTH FT MYERS - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
 AMORTIZATION OF CIAC PER BOOKS TO
 ACCUMULATED AMORTIZATION OF CIAC
 ON (S-1)

Description	Amount (b)
Balance end of year (S-5)	\$1,688,810
Amortization of taxes paid on Contributions for years (1987-1990) credited to Accumulated Deferred Income Taxes at December 31, 1997:	
Federal (256.18)	71,534
State (256.22)	12,145
Balance reported on (S-1)	<u>\$1,605,131</u>

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
WASTEWATER UTILITY EXPENSE ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	.1		.2	
			Collection Expenses- Operation (d)	Collection Expenses- Maintenance (e)		
701	Salaries & Wages - Employees	\$233,856	\$1,001	\$6,428		
703	Salaries & Wages - Officers, Directors, & Majority Stockholders	15,218	0	0		
704	Employee Pensions & Benefits	61,862	0	0		
705	Post-Retirement Benefits	16,213	XXXXXXXXXX	XXXXXXXXXX		
710	Purchased Sewage Treatment	0	XXXXXXXXXX	XXXXXXXXXX		
711	Sludge Removal Expense	38,727	XXXXXXXXXX	XXXXXXXXXX		
715	Purchased Power	119,981	0	XXXXXXXXXX		
716	Fuel for Purchased Power	966	0	XXXXXXXXXX		
718	Chemicals	14,459	0	0		
720	Materials & Supplies	8,183	0	188		
731	Contractual Services - Engineering	1,167	0	0		
732	Contractual Services - Accounting	4,964	0	0		
733	Contractual Services - Legal	3,555	0	0		
734	Contractual Services - Management Fees	6,566	0	0		
735	Contractual Services - Other	86,530	1,050	21,239		
741	Rental of Building/Real Property	5,837	0	0		
742	Rental of Equipment	1,031	0	0		
750	Transportation Expenses	26,362	0	1,649		
756	Insurance - Vehicle	4,795	0	0		
757	Insurance - General Liability	13,556	0	0		
758	Insurance - Workman's Compensation	7,353	0	0		
759	Insurance - Other	17,319	0	0		
760	Advertising Expense	0	XXXXXXXXXX	XXXXXXXXXX		
766	Regulatory Commission Expense - Amortization of Rate Case Expense	25,509	XXXXXXXXXX	XXXXXXXXXX		
767	Regulatory Commission Expense - Other	18,767	0	0		
770	Bad Debt Expense	6,348	XXXXXXXXXX	XXXXXXXXXX		
775	Miscellaneous Expense	89,252	255	2,294		
719	Major Maintenance Expenses	0	0	0		
	.....	0	0	0		
	.....	0	0	0		
	Total Wastewater Utility Expenses	\$828,376	\$2,306	\$31,798		

WASTEWATER EXPENSE ACCOUNT MATRIX

.3	.4	.5	.6	.7	.8
Pumping Expenses-Operation (f)	Pumping Expenses-Maintenance (g)	Treatment & Disposal Expenses-Operation (h)	Treatment & Disposal Expenses-Maintenance (i)	Customer Accounts Expense (j)	General & Admins. Expense (k)
\$11,247	\$16,164	\$75,258	\$59,496	\$16,403	\$47,859
0	0		0	0	15,218
0	0	0	0	0	61,862
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	16,213
XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	38,727	0	XXXXXXXXXX	XXXXXXXXXX
20,447	XXXXXXXXXX	98,810	XXXXXXXXXX	126	598
0	XXXXXXXXXX	966	XXXXXXXXXX	0	0
0	0	14,459	0	XXXXXXXXXX	XXXXXXXXXX
0	521	1,252	2,165	952	3,105
0	0	1,167	0	0	0
0	0	0	0	0	4,964
0	0	0	0	0	3,555
0	0	0	0	0	6,566
0	6,822	462	7,023	39,371	10,563
0	0	0	0	0	5,837
176	0	0	225	71	559
2,940	4,658	6,630	4,237	2,003	4,245
0	0	0	0	0	4,795
0	0	0	0	0	13,556
0	0	0	0	0	7,353
0	0	0	0	0	17,319
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	25,509
0	0	0	0	0	18,767
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	6,348	XXXXXXXXXX
255	5,361	23,882	23,974	2,996	30,235
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$35,065</u>	<u>\$33,526</u>	<u>\$261,613</u>	<u>\$97,120</u>	<u>\$68,270</u>	<u>\$298,678</u>

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
WASTEWATER OPERATING REVENUE
Year of Report - December 31, 1997

Acct. No. (a)	Description (b)	Beginning Year Number Customers (c)	Year End Number Customers (d)	Amounts (e)
Operating Revenues:				
Fiat Rate Revenues:				
521.1	Residential Revenues	0	0	\$0
521.2	Commercial Revenues	0	0	0
521.3	Industrial Revenues	0	0	0
521.4	Revenues from Public Authorities	0	0	0
521.5	Multiple Family Dwelling Revenues	0	0	0
521.6	Other Revenues	0	0	\$0
	Total Fiat Rate Revenues	0	0	\$0
Measured Revenues:				
522.1	Residential Revenues	2,381	2,403	\$1,381,432
522.2	Commercial Revenues	165	155	522,914
522.3	Industrial Revenues	0	0	0
522.4	Revenues from Public Authorities	6	6	57,875
522.5	Multiple Family Dwelling Revenues	43	43	383,869
	Total Measured Revenues:	2,595	2,607	\$2,346,090
523	Revenues from Public Authorities	0	0	\$0
524	Revenues from Other Systems	0	0	0
525	Interdepartmental Revenues	0	0	0
	Totals	2,595	2,607	\$2,346,090
Other Wastewater Revenues:				
530	Guaranteed Revenue			\$2,908
531	Sale of Sludge			0
532	Forfeited Discounts			0
534	Rents from Sewer Property			0
535	Interdepartmental Rents			8,060
536	Other Wastewater Reven - Miscellaneous Service Revenues			10,968
	Total Other Wastewater Revenue			\$21,936
	TOTAL WASTEWATER OPERATING REVENUES			\$2,357,058

FLORIDA CITIES WATER COMPANY
 NORTH FT MYERS - WASTEWATER
 WASTEWATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

MAINS

COLLECTING MAINS						
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

See Exhibit "G"

FORCE MAINS						
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

See Exhibit "G"

FLORIDA CITIES WATER COMPANY
 NORTH FT MYERS - WASTEWATER
 WASTEWATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

TREATMENT PLANT

	Name:	WATERWAY EST. WWTP
Manufacturer		Davco
Type		Conv. Act. Sludge
Steel or Concrete		Steel
Total capacity (gallons)		1.250MGD
Average daily flow (GPD)		.905MGD
Effluent disposal		Surface Water Discharge, Golf Course Irrigation
Total gallons of sewage treated		336,343,000

OTHER WASTEWATER SYSTEM INFORMATION

1. Maximum number of ERC's * which can be served 4,595
2. Estimated annual increase in ERC's * 10
3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Protection (DEP) for Systems in operation FL0030325
 Waterway Estates
4. State any plans and estimated completion dates for any enlargements of this system.

5. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DER's 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?
 87.0%

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

NOTE: Total Gallons Treated includes both sewage treated and purchased sewage treatment

FLORIDA CITIES WATER COMPANY
NORTH FT MYERS - WASTEWATER
WASTEWATER SYSTEM INFORMATION
Year of Report - December 31, 1997

METERS AND CALCULATION OF METER EQUIVALENTS

Meter Size	Type of Meter	Equivalent Factor	Number of Wastewater Start of Year	End of Year	Total No. of Meters Equivalent (c x e)
5/8"	Displacement	1.0	2,573	2,583	2,583
3/4"	Displacement	1.5	0	0	0
1"	Displacement	2.5	36	36	90
1 1/2"	Displacement or Turbine	5.0	47	47	235
2"	Displacement, Compound or Turbine	8.0	17	17	136
3"	Displacement	15.0	0	0	0
3"	Compound	16.0	0	0	0
3"	Turbine	17.5	7	7	123
4"	Displacement or Compou	25.0	0	0	0
4"	Turbine	30.0	6	6	180
6"	Displacement or Compou	50.0	0	0	0
6"	Turbine	62.5	0	0	0
8"	Compound	80.0	0	0	0
8"	Turbine	90.0	0	0	0
10"	Compound	115.0	0	0	0
10"	Turbine	145.0	0	0	0
12"	Turbine	215.0	0	0	0
Total			2,686	2,696	3,347

Calculation of the Wastewater Systems Equivalent Residential Connections (ERC's)

$$\text{ERC's} = \frac{(336,343,000 / 365) / 275 \text{ gpd} = \underline{\quad\quad\quad} 3,351 \text{ ERC's}}{\text{total gallons treated}}$$

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
SCHEDULE OF YEAR-END RATE BASE
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Wastewater Utility (d)
	RATE BASE		
101	Utility Plant In Service	S-3	\$30,533,493
	Less:		
	Nonused & Useful Plant (1)		1,577,000
108.1	Accumulated Depreciation	S-8	10,659,316
110.1	Accumulated Amortization		970
271	Contributions In Aid of Construction (CIAC)	S-4	16,372,768
252	Advances for Construction	F-18	0
	Subtotal		<u>1,923,439</u>
	Additions:		
272	Accumulated Amortization of CIAC	S-5 & S-5(a)	5,671,704
	Subtotal		<u>7,595,143</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-5	0
115	Accumul. Amortization of Acquisition Adj.(2)	F-5	195,951
	Working Capital Allowance (3)		57,306
	Other (Specify): Allocation of General Office Net Plant		0
	.....		0
	.....		<u>7,848,400</u>
	RATE BASE		<u>\$937,965</u>
	UTILITY OPERATING INCOME (4)		<u>11.95%</u>
	ACHIEVED RATE OF RETURN (4)		<u>11.95%</u>

NOTES:

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using the formula approach (1/8 of O & M Expenses)
- (4) Utility operating income, \$937,965 includes Lee County revenue of \$248,710 from treatment of Lee County wastewater under agreement dated July 10, 1996 and amended August 28, 1996. This revenue is non-recurring. (Docket No. 961231-WS, Order No. PSC-97-0019-WS issued January 6, 1997).

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER OPERATING STATEMENT
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	Ref. Page (d)
UTILITY OPERATING INCOME			
400	Operating Revenues	\$3,706,626	S-10
401	Operating Expenses	1,567,606	S-9
403	Depreciation Expense	611,685	S-8
406	Amortization of Utility Plant Acquisition Adjustment	0	
407	Amortization Expense	350,809	F-16
400.1	Taxes Other Than Income	245,505	F-16
409.1	Income Taxes	3,726	
410.10	Deferred Federal Income Taxes	1,370	
410.11	Deferred State Income Taxes	0	
411.10	Provision for Deferred Income Taxes - Credit	(12,040)	
412.10	Invest. Tax Credits Deferred to Future Periods	0	
412.11	Invest. Tax Credits Restored to Oper. Income	0	
	Utility Operating Expenses	<u>2,768,661</u>	
	Utility Operating Income	937,965	
413	Income from Utility Plant Leased to Others	0	
414	Gains (Losses) from Disposal of Util. Property	0	
	Total Utility Operating Income	<u>\$937,965</u>	

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)
		\$0	\$0	\$0
351	Organization	970	0	0
352	Franchises	6,327	0	0
353	Land & Land Rights	757,622	49,610	0
354	Structures & Improvements	5,992,777	353,917	0
360	Collection Sewers - Force	4,947,973	995,904	0
361	Collection Sewers - Gravity	22,644	0	0
362	Special Collecting Structures	523,289	93,855	0
363	Services to Customers	27,617	50,608	0
364	Flow Measuring Devices	0	0	0
365	Flow Measuring Installations	335,665	89,050	0
370	Receiving Wells	2,560,155	540,667	43,961
371	Pumping Equipment	11,319,305	55,315	14,049
380	Treatment & Disposal Equipment	0	0	0
381	Plant Sewers	1,541,936	0	0
382	Outfall Sewer Lines	34,588	27,937	0
389	Other Plant & Miscellaneous Equip.	6,470	1,753	0
390	Office Furniture & Equipment	0	1,830	0
391	Transportation Equipment	3,030	0	1,576
392	Stores Equipment	17,048	0	0
393	Tools, Shop, & Garage Equipment	141,304	0	0
394	Laboratory Equipment	36,596	0	0
395	Power Operated Equipment	5,415	0	0
396	Communication Equipment	1,512	51,362	3,931
397	Miscellaneous Equipment	2,959	0	0
398	Other Tangible Plant	0	0	0
	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
	Total Wastewater Plant	\$28,285,202	\$2,311,808	\$63,517
		0	0	0
102	Utility Plant Leased to Others	0	0	0
103	Property Held for Future Use	0	0	0
104	Utility Plant Purchased or Sold	0	0	0
105	Construction Work in Progress	76,128	2,403,183	2,311,808
106	Completed Construction not Classified	0	0	0
	Total Utility Plant	\$28,361,330	\$4,714,991	\$2,375,325

Total (see S-8(b) page 30)

NOTE: Any adj's made to reclass property from one account to another must be footnoted

WASTEWATER UTILITY PLANT MATRIX

Current Year (f)	.1 Intangible Plant (g)	.2 Collection Plant (h)	.3 System Pumping Plant (i)	.4 Treatment & Disposal Plant (j)	.5 General Plant (k)
\$0	\$0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
970	970	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
6,327	XXXXXXXXXX	0	1,387	4,940	0
807,232	XXXXXXXXXX	109,238	326,934	369,550	1,510
6,346,694	XXXXXXXXXX	6,346,694	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
5,943,877	XXXXXXXXXX	5,943,877	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
22,644	XXXXXXXXXX	22,644	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
617,144	XXXXXXXXXX	617,144	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
78,225	XXXXXXXXXX	78,225	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
424,715	XXXXXXXXXX	XXXXXXXXXX	424,715	XXXXXXXXXX	XXXXXXXXXX
3,056,861	XXXXXXXXXX	XXXXXXXXXX	3,056,861	XXXXXXXXXX	XXXXXXXXXX
11,360,571	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	11,360,571	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
1,541,936	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,541,936	XXXXXXXXXX
62,525	0	0	0	62,525	XXXXXXXXXX
8,223	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	8,223
1,830	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,830
1,454	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,454
17,048	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	17,048
141,304	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	141,304
36,596	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	36,596
5,415	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5,415
48,943	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	48,943
2,959	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,959
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
\$30,533,493	\$970	\$13,117,822	\$3,809,897	\$13,339,522	\$265,282
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
167,503	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
\$30,700,996	\$970	\$13,117,822	\$3,809,897	\$13,339,522	\$265,282

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
CONTRIBUTIONS IN AID OF CONSTRUCTION
Year of Report - December 31, 1997

Description (a)	Wastewater (b)
<hr/> <hr/>	
CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)	
Balance first of year	\$15,657,288
Add credits during year:	
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	486,582
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	1,613,067
Other Credits:	0
Transfer from AIAC	0
Transfer from Deferred AIAC Process Fee	23,538
	<u>0</u>
Total Credits	2,123,187
Less: Debits charged during the year: (All debits charged during the year must be explained below)	
Refund of CIAC	13,395
	0
	<u>0</u>
Total Debits	13,395
Total Contributions in Aid of Construction	<u>\$17,767,080</u>
Reconciliation of CIAC per books to CIAC reported on (S-1):	
Balance end of year (as above)	\$17,767,080
Taxes paid on contributions for the years (1987-1990) charged to Accumulated Deferred Income Taxes on CIAC at December 31, 1997:	
Federal (256.17)	1,194,771
State (256.21)	199,541
Balance reported on (S-1)	<u>\$16,372,768</u>

FLORIDA CITIES WATER COMPANY
 SOUTH FT MYERS - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

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

Description (a)	Number of Connections (b)	Charge Per Connection (c)	Amount (d)
Credits:			
South Lee County - Wastewater	827	Various	\$486,582
.....			
.....			
.....			
Total Credits			<u>\$486,582</u>

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

Description (a)	Wastewater (b)
Balance first of year	\$5,456,637
Debits during year:	
Accruals charged to Acct. 272	650,273
Other Debits (specify)	
Accruals charged to Deferred	
Income Taxes:	
Federal (256.18)	41,460
State (256.22)	6,864
Total Debits	<u>698,597</u>
Credits during year (specify):	
Total Credits	<u>0</u>
Balance end of year	<u>\$6,155,234</u>

FLORIDA CITIES WATER COMPANY
 SOUTH FT MYERS - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
 AMORTIZATION OF CIAC PER BOOKS TO
 ACCUMULATED AMORTIZATION OF CIAC
 ON (S-1)

Description (a)	Amount (b)
Balance end of year (S-5)	\$6,155,234
Amortization of taxes paid on Contributions for years (1987-1990) credited to Accumulated Deferred Income Taxes at December 31, 1997:	
Federal (256.18)	415,299
State (256.22)	68,231
Balance reported on (S-1)	<u>\$5,671,704</u>

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER UTILITY EXPENSE ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	.1	.2
			Collection Expenses- Operation (d)	Collection Expenses- Maintenance (e)
701	Salaries & Wages - Employees	\$417,177	\$3,253	\$11,522
703	Salaries & Wages - Officers, Directors, & Majority Stockholders	29,883	0	0
704	Employee Pensions & Benefits	99,872	0	0
705	Post-Retirement Benefits	26,534	XXXXXXXXXX	XXXXXXXXXX
710	Purchased Sewage Treatment	0	XXXXXXXXXX	XXXXXXXXXX
711	Sludge Removal Expense	135,957	XXXXXXXXXX	XXXXXXXXXX
715	Purchased Power	180,056	0	XXXXXXXXXX
716	Fuel for Purchased Power	2,963	0	XXXXXXXXXX
718	Chemicals	65,864	0	0
720	Materials & Supplies	18,698	0	649
731	Contractual Services - Engineering	4,537	0	0
732	Contractual Services - Accounting	10,889	0	0
733	Contractual Services - Legal	16,849	0	0
734	Contractual Services - Management Fees	12,859	0	0
735	Contractual Services - Other	223,113	1,705	18,911
741	Rental of Building/Real Property	11,437	0	0
742	Rental of Equipment	2,082	0	72
750	Transportation Expenses	51,101	0	2,855
756	Insurance - Vehicle	9,390	0	0
757	Insurance - General Liability	29,485	0	0
758	Insurance - Workman's Compensation	11,978	0	0
759	Insurance - Other	33,752	0	0
760	Advertising Expense	0	XXXXXXXXXX	XXXXXXXXXX
766	Regulatory Commission Expense - Amortization of Rate Case Expense	19,118	XXXXXXXXXX	XXXXXXXXXX
767	Regulatory Commission Expense - Other	7,578	0	0
770	Bad Debt Expense	5,367	XXXXXXXXXX	XXXXXXXXXX
775	Miscellaneous Expense	127,918	139	6,773
719	Major Maintenance Expenses	13,149	0	0
	.....	0	0	0
	.....	0	0	0
	Total Wastewater Utility Expenses	\$1,567,606	\$5,097	\$40,782

WASTEWATER EXPENSE ACCOUNT MATRIX

.3	.4	.5	.6	.7	.8
Pumping Expenses- Operation (f)	Pumping Expenses- Maintenance (g)	Treatment & Disposal Expenses- Operation (h)	Treatment & Disposal Expenses- Maintenance (i)	Customer Accounts Expenses (j)	General & Admins. Expenses (k)
\$32,041	\$23,033	\$131,405	\$85,833	\$35,870	\$94,220
0	0		0	0	29,883
0	0	0	0	0	99,872
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	26,534
XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	135,957	0	XXXXXXXXXX	XXXXXXXXXX
47,005	XXXXXXXXXX	131,594	XXXXXXXXXX	281	1,176
275	XXXXXXXXXX	2,688	XXXXXXXXXX	0	0
0	0	65,864	0	XXXXXXXXXX	XXXXXXXXXX
318	994	1,164	6,544	2,121	6,908
0	0	4,537	0	0	0
0	0	0	0	0	10,889
0	0	0	0	0	16,849
0	0	0	0	0	12,859
0	0	0	0	0	20,638
160	19,842	4,333	70,059	87,465	11,437
0	0	0	0	0	1,098
0	0	0	753	159	8,341
8,108	6,162	13,019	8,266	4,350	9,390
0	0	0	0	0	29,485
0	0	0	0	0	11,978
0	0	0	0	0	33,752
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	19,118
0	0	0	0	0	7,578
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5,367	XXXXXXXXXX
1,022	22,944	42,068	37,033	(44,540)	62,479
0	0	0	13,149	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$88,929	\$72,975	\$532,629	\$221,637	\$91,073	\$514,484

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER OPERATING REVENUE
Year of Report - December 31, 1997

Acct. No. (a)	Description (b)	Beginning Year Number Customers (c)	Year End Number Customers (d)	Amounts (e)
Operating Revenues:				
Flat Rate Revenues:				
521.1	Residential Revenues	0	0	\$0
521.2	Commercial Revenues	0	0	0
521.3	Industrial Revenues	0	0	0
521.4	Revenues from Public Authorities	0	0	0
521.5	Multiple Family Dwelling Revenues	0	0	0
521.6	Other Revenues	0	0	0
	Total Flat Rate Revenues	<u>0</u>	<u>0</u>	<u>\$0</u>
Measured Revenues:				
522.1	Residential Revenues	4,941	5,299	\$1,456,151
522.2	Commercial Revenues	487	489	716,639
522.3	Industrial Revenues	0	0	0
522.4	Revenues from Public Authorities	6	7	76,566
522.5	Multiple Family Dwelling Revenues	409	441	1,110,313
	Total Measured Revenues:	<u>5,843</u>	<u>6,236</u>	<u>\$3,359,669</u>
523	Revenues from Public Authorities	0	0	\$0
524	Revenues from Other Systems	0	0	0
525	Interdepartmental Revenues	0	0	0
	Totals	<u>5,843</u>	<u>6,236</u>	<u>\$3,359,669</u>
Other Wastewater Revenues:				
530	Guaranteed Revenue			\$50,574
531	Sale of Sludge			0
532	Forfeited Discounts			0
534	Rents from Sewer Property			0
535	Interdepartmental Rents			0
536	Other Wastewater Reven - Miscellaneous Service Revenues			296,383
	Total Other Wastewater Revenue			<u>\$346,957</u>
	TOTAL WASTEWATER OPERATING REVENUES			<u>\$3,706,626</u>

FLORIDA CITIES WATER COMPANY
 SOUTH FT MYERS - WASTEWATER
 WASTEWATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

MAINS

COLLECTING MAINS

			See Exhibit "G"			
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

FORCE MAINS

			See Exhibit "G"			
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER SYSTEM INFORMATION
Year of Report - December 31, 1997

TREATMENT PLANT

	Name:	Fiesta Village AWTP
Manufacturer		Lakeside/Dravo
Type		Oxidation/Denite Filters
Steel or Concrete		Concrete
Total capacity (gallons)		2.5MGD
Average daily flow (GPD)		2.331MGD
Effluent disposal		Golf course irrigation/outfall to river
Total gallons of sewage treated		866,925,000

OTHER WASTEWATER SYSTEM INFORMATION

1. Maximum number of ERC's * which can be served 9,091
2. Estimated annual increase in ERC's * 290
3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Protection (DEP) for Systems in operation FL0039829
Fiesta Village AWT
4. State any plans and estimated completion dates for any enlargements of this system.
Expansion of plant anticipated in 1999 to 5.0 mgd capacity
5. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DER's 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?
75.0%

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

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

FLORIDA CITIES WATER COMPANY
SOUTH FT MYERS - WASTEWATER
WASTEWATER SYSTEM INFORMATION
Year of Report - December 31, 1997

METERS AND CALCULATION OF METER EQUIVALENTS

Meter Size (a)	Type of Meter (b)	Equivalent Factor (c)	Number of Wastewater Start of Year (d)	End of Year (e)	Total no. of Meters Equivalent (c x e) (f)
5/8"	Displacement	1.0	5,502	6,025	6,025
3/4"	Displacement	1.5	0	0	0
1"	Displacement	2.5	157	178	445
1 1/2"	Displacement or Turbine	5.0	158	160	800
2"	Displacement, Compound or Turbine	8.0	140	144	1,152
3"	Displacement	15.0	0	0	0
3"	Compound	16.0	1	1	16
3"	Turbine	17.5	29	41	718
4"	Displacement or Compou	25.0	0	0	0
4"	Turbine	30.0	10	10	300
6"	Displacement or Compou	50.0	3	5	250
6"	Turbine	62.5	3	4	250
8"	Compound	80.0	0	0	0
8"	Turbine	90.0	0	0	0
10"	Compound	115.0	0	0	0
10"	Turbine	145.0	0	0	0
12"	Turbine	215.0	0	0	0
Total			6,003	6,568	9,956

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTI
(ERC's)

$$\text{ERC's} = \frac{(866,925,000 / 365) / 275 \text{ gpd}}{\text{total gallons treated}} = \underline{\quad 8,637 \text{ ERC's} \quad}$$

total gallons treated

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
SCHEDULE OF YEAR-END RATE BASE
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Ref. Page (c)	Wastewater Utility (d)
	RATE BASE		
101	Utility Plant In Service	S-3	\$10,561,281
	Less:		
	Nonused & Useful Plant (1)		
108.1	Accumulated Depreciation	S-8	2,051,062
110.1	Accumulated Amortization		0
271	Contributions In Aid of Construction (CIAC)	S-4	2,765,380
252	Advances for Construction	F-18	132,000
	Subtotal		<u>5,612,839</u>
	Additions:		
272	Accumulated Amortization of CIAC	S-5 & S-5(a)	1,121,413
	Subtotal		<u>6,734,252</u>
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-5	0
115	Accumul. Amortization of Acquisition Adj.(2)	F-5	0
	Working Capital Allowance (3)		96,883
	Other (Specify): Allocation of General Office Net Plant		41,576
	.....		0
	.....		0
	RATE BASE		<u><u>6,872,711</u></u>
	UTILITY OPERATING INCOME		<u><u>\$427,106</u></u>
	ACHIEVED RATE OF RETURN		<u><u>6.21%</u></u>

NOTES:

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

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
WASTEWATER OPERATING STATEMENT
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Current Year (c)	Ref. Page (d)
<u>UTILITY OPERATING INCOME</u>			
400	Operating Revenues	\$1,738,975	S-10
401	Operating Expenses	775,062	S-9
403	Depreciation Expense	271,211	S-8
406	Amortization of Utility Plant Acquisition Adjustment	0	
407	Amortization Expense	0	
408.1	Taxes Other Than Income	161,012	F-16
409.1	Income Taxes	112,569	F-16
410.10	Deferred Federal Income Taxes	(2,260)	
410.11	Deferred State Income Taxes	(282)	
411.10	Provision for Deferred Income Taxes - Credit	0	
412.10	Invest. Tax Credits Deferred to Future Periods	(5,443)	
412.11	Invest. Tax Credits Restored to Oper. Income	0	
	Utility Operating Expenses	<u>1,311,869</u>	
	Utility Operating Income	427,106	
413	Income from Utility Plant Leased to Others	0	
414	Gains (Losses) from Disposal of Util. Property	0	
	Total Utility Operating Income	<u>\$427,106</u>	

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
WASTEWATER UTILITY PLANT ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Previous Year (c)	Additions (d)	Retirements (e)
351	Organization	\$0	\$0	\$0
352	Franchises	0	0	0
353	Land & Land Rights	1,229,046	0	0
354	Structures & Improvements	546,225	3,114	0
360	Collection Sewers - Force	2,571,784	4,195	0
361	Collection Sewers - Gravity	309,572	143,104	3,016
362	Special Collecting Structures	0	0	0
363	Services to Customers	608,010	448	0
364	Flow Measuring Devices	0	0	0
365	Flow Measuring Installations	0	0	0
370	Receiving Wells	99,510	12,242	0
371	Pumping Equipment	105,531	63,018	3,100
380	Treatment & Disposal Equipment	3,429,708	41,344	0
381	Plant Sewers	475,740	0	0
382	Outfall Sewer Lines	719,808	0	0
389	Other Plant & Miscellaneous Equip.	116,702	38,333	0
390	Office Furniture & Equipment	288	6,893	0
391	Transportation Equipment	0	0	0
392	Stores Equipment	0	0	0
393	Tools, Shop, & Garage Equipment	0	1,165	0
394	Laboratory Equipment	17,525	0	0
395	Power Operated Equipment	19,308	1,654	0
396	Communication Equipment	3,130	0	0
397	Miscellaneous Equipment	0	0	0
398	Other Tangible Plant	0	0	0
	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
	Total Wastewater Plant	\$10,251,887	\$315,510	\$6,116
102	Utility Plant Leased to Others	0	0	0
103	Property Held for Future Use	0	0	0
104	Utility Plant Purchased or Sold	0	0	0
105	Construction Work in Progress	105,335	251,926	315,510
106	Completed Construction not Classified	0	0	0
	Total Utility Plant	\$10,357,222	\$567,436	\$321,626

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

WASTEWATER UTILITY PLANT MATRIX

	.1	.2	.3	.4	.5
	Intangible Plant (g)	Collection Plant (h)	System Pumping Plant (i)	Treatment & Disposal Plant (j)	General Plant (k)
Current Year (f)					
\$0	\$0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1,229,046	XXXXXXXXXX	22,333	0	1,206,713	0
549,339	XXXXXXXXXX	254,525	6,379	266,541	21,894
2,575,979	XXXXXXXXXX	2,575,979	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
449,660	XXXXXXXXXX	449,660	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
608,458	XXXXXXXXXX	608,458	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
111,752	XXXXXXXXXX	XXXXXXXXXX	111,752	XXXXXXXXXX	XXXXXXXXXX
165,449	XXXXXXXXXX	XXXXXXXXXX	165,449	XXXXXXXXXX	XXXXXXXXXX
3,471,052	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	3,471,052	XXXXXXXXXX
475,740	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	475,740	XXXXXXXXXX
719,808	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	719,808	XXXXXXXXXX
155,035	0	0	0	155,035	XXXXXXXXXX
7,181	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,181
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
1,165	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,165
17,525	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	17,525
20,962	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	20,962
3,130	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	3,130
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
<u>\$10,561,281</u>	<u>\$0</u>	<u>\$3,910,955</u>	<u>\$283,580</u>	<u>\$6,294,889</u>	<u>\$71,857</u>
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
41,751	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
<u>\$10,603,032</u>	<u>\$0</u>	<u>\$3,910,955</u>	<u>\$283,580</u>	<u>\$6,294,889</u>	<u>\$71,857</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
CONTRIBUTIONS IN AID OF CONSTRUCTION
Year of Report - December 31, 1997

Description (a)	Wastewater (b)
CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)	
Balance first of year	\$2,708,420
Add credits during year:	
Contributions received from Capacity, Main Extension & Customer Connection Charges (Schedule "A")	56,960
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	0
Other Credits:	
Transfer from AIAC	0
Transfer from Deferred AIAC	0
Process Fee	0
 Total Credits	 56,960
 Less: Debits charged during the year: (All debits charged during the year must be explained below)	 0
Total Debits	0
 Total Contributions in Aid of Construction	 \$2,765,380
 Reconciliation of CIAC per books to CIAC reported on (S-1):	
Balance end of year (as above)	\$2,765,380
Taxes paid on contributions for the years (1987-1990) charged to Accumulated Deferred Income	
Taxes on CIAC at December 31, 1997:	
Federal (256.17)	0
State (256.21)	0
Balance reported on (S-1)	\$2,765,380

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

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

Description (a)	Number of Connections (b)	Charge Per Connection (c)	Amount (d)
Credits:			
Barefoot Bay - Wastewater	40	VARIOUS	\$56,960
.....			
.....			
.....			
Total Credits			<u>\$56,960</u>

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

Description (a)	Wastewater (b)
Balance first of year	\$1,008,863
Debits during year:	
Accruals charged to Acct. 272	112,550
Other Debits (specify)	
Accruals charged to Deferred	
Income Taxes:	
Federal (256.18)	0
State (256.22)	0
Total Debits	<u>112,550</u>
Credits during year (specify):	
	0
Total Credits	<u>0</u>
Balance end of year	<u>\$1,121,413</u>

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WASTEWATER
 ACCOUNT DETAILS
 Year of Report - December 31, 1997

RECONCILIATION OF ACCUMULATED
 AMORTIZATION OF CIAC PER BOOKS TO
 ACCUMULATED AMORTIZATION OF CIAC
 ON (S-1)

Description (a)	Amount (b)
Balance end of year (S-5)	\$1,121,413
Amortization of taxes paid on Contributions for years (1987-1991) credited to Accumulated Deferred Income Taxes at December 31, 1997:	
Federal (256.18)	0
State (256.22)	0
Balance reported on (S-1)	<u>\$1,121,413</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b)	Balance Beginning of Year (c)	Accruals (d)	Other Credits* (e)	Total Credits (d+e) (f)
354	Structures & Improvements	\$154,904	\$15,756	\$0	\$15,756
360	Collection Sewers - Force	1,057,373	84,938	0	84,938
361	Collection Sewers - Gravity	(37,179)	8,352	0	8,352
362	Special Collecting Structures	0	0	0	0
363	Services to Customers	184,202	15,814	0	15,814
364	Flow Measuring Devices	0	0	0	0
365	Flow Measuring Installations	0	0	0	0
370	Receiving Wells	27,605	3,486	0	3,486
371	Pumping Equipment	(81,723)	7,587	0	7,587
380	Treatment & Disposal Equipment	314,620	192,987	0	192,987
381	Plant Sewers	6,898	13,796	0	13,796
382	Outfall Sewer Lines	24,137	23,716	0	23,716
383	Effluent Services	242	121	0	121
389	Other Plant & Miscellaneous Equip.	3,310	7,609	0	7,609
390	Office Furniture & Equipment	458	623	0	623
391	Transportation Equipment	0	0	0	0
392	Stores Equipment	0	0	0	0
393	Tools, Shop, & Garage Equipment	0	37	0	37
394	Laboratory Equipment	10,257	1,174	0	1,174
395	Power Operated Equipment	16,530	1,677	0	1,677
396	Communication Equipment	1,887	282	0	282
397	Miscellaneous Equipment	0	0	0	0
398	Other Tangible Plant	97	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
	.....	0	0	0	0
Other	All but Acc't Nos. 391 & 395	0	0	0	0
	Total Depreciable Wastewater Plant In Service	<u>\$1,683,618</u>	<u>\$377,955</u>	<u>\$0</u>	<u>\$377,955</u>

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

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
WASTEWATER UTILITY EXPENSE ACCOUNTS
Year of Report - December 31, 1997

Acct. No. (a)	Account Name (b) (c)	. 1 . 2		
		Current Year (c)	Collection Expenses- Operation (d)	Collection Expenses- Maintenance (e)
701	Salaries & Wages - Employees	\$196,932	\$4,404	\$1,503
703	Salaries & Wages - Officers, Directors, & Majority Stockholders	11,873	0	0
704	Employee Pensions & Benefits	43,195	0	0
705	Post-Retirement Benefits	11,085	XXXXXXXXXX	XXXXXXXXXX
710	Purchased Sewage Treatment	0	XXXXXXXXXX	XXXXXXXXXX
711	Sludge Removal Expense	20,233	XXXXXXXXXX	XXXXXXXXXX
715	Purchased Power	71,718	0	XXXXXXXXXX
716	Fuel for Purchased Power	1,311	0	XXXXXXXXXX
718	Chemicals	14,160	0	0
720	Materials & Supplies	12,996	138	2,047
731	Contractual Services - Engineering	2,828	0	0
732	Contractual Services - Accounting	4,750	0	0
733	Contractual Services - Legal	4,491	0	0
734	Contractual Services - Management Fees	5,107	0	0
735	Contractual Services - Other	97,993	0	27,680
741	Rental of Building/Real Property	9,531	0	0
742	Rental of Equipment	955	0	0
750	Transportation Expenses	18,971	980	397
756	Insurance - Vehicle	3,730	0	0
757	Insurance - General Liability	11,804	0	0
758	Insurance - Workman's Compensation	5,064	0	0
759	Insurance - Other	13,422	0	0
760	Advertising Expense	0	XXXXXXXXXX	XXXXXXXXXX
766	Regulatory Commission Expense - Amortization of Rate Case Expense	31,393	XXXXXXXXXX	XXXXXXXXXX
767	Regulatory Commission Expense - Other	4,875	0	0
770	Bad Debt Expense	1,745	XXXXXXXXXX	XXXXXXXXXX
775	Miscellaneous Expense	174,900	4,006	1,036
719	Major Maintenance Expenses	0	0	0
		0	0	0
		0	0	0
	Total Wastewater Utility Expenses	\$775,062	\$9,528	\$32,663

WASTEWATER EXPENSE ACCOUNT MATRIX

.3	.4	.5	.6	.7	.8
Pumping Expenses-Operation (f)	Pumping Expenses-Maintenance (g)	Treatment Disposal Expenses-Operation (h)	Treatment Disposal Expenses-Maintenance (i)	Customer Accounts Expense (j)	General & Admins. Expenses (k)
\$5,243	\$6,206	\$75,692	\$29,607	\$33,896	\$40,381
0	0		0	0	11,873
0	0	0	0	0	43,195
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	11,085
XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	19,625	608	XXXXXXXXXX	XXXXXXXXXX
9,362	XXXXXXXXXX	61,382	XXXXXXXXXX	439	535
0	XXXXXXXXXX	1,311	XXXXXXXXXX	0	0
0	0	14,160	0	XXXXXXXXXX	XXXXXXXXXX
383	1,201	1,762	3,887	1,472	2,106
0	0	2,828	0	0	0
0	0	0	0	0	4,750
0	0	0	0	0	4,491
0	0	0	0	0	5,107
0	1,233	2,272	16,109	40,794	9,905
0	0	0	0	3,444	6,087
0	0	0	225	254	476
797	196	6,235	1,617	4,481	4,268
0	0	0	0	0	3,730
0	0	0	0	0	11,804
0	0	0	0	0	5,064
0	0	0	0	0	13,422
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	31,393
0	0	0	0	0	4,875
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,745	XXXXXXXXXX
1,357	3,809	122,818	9,755	6,214	25,905
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$17,142</u>	<u>\$12,645</u>	<u>\$308,085</u>	<u>\$61,808</u>	<u>\$92,739</u>	<u>\$240,452</u>

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
WASTEWATER OPERATING REVENUE
Year of Report - December 31, 1997

Acct. No. (a)	Description (b)	Beginning Year Number Customers (c)	Year End Number Customers (d)	Amounts (e)
Operating Revenues:				
Flat Rate Revenues:				
521.1	Residential Revenues	0	0	\$0
521.2	Commercial Revenues	0	0	0
521.3	Industrial Revenues	0	0	0
521.4	Revenues from Public Authorities	0	0	0
521.5	Multiple Family Dwelling Revenues	0	0	0
521.6	Other Revenues	0	0	0
	Total Flat Rate Revenues	0	0	\$0
Measured Revenues:				
522.1	Residential Revenues	4,500	4,512	\$1,671,858
522.2	Commercial Revenues	35	35	42,460
522.3	Industrial Revenues			0
522.4	Revenues from Public Authorities	0	0	0
522.5	Multiple Family Dwelling Revenues	0	0	0
	Total Measured Revenues:	4,535	4,547	\$1,714,318
523	Revenues from Public Authorities	0	0	\$0
524	Revenues from Other Systems	0	0	0
525	Interdepartmental Revenues	0	0	0
	Totals	4,535	4,547	\$1,714,318
Other Wastewater Revenues:				
530	Guaranteed Revenue			\$0
531	Sale of Sludge			0
532	Forfeited Discounts			0
534	Rents from Sewer Property			0
535	Interdepartmental Rents			0
536	Other Wastewater Revenue - Miscellaneous Service Revenues			9,879
N/A	Increase in Wastewater Revenue Applicable to Reuse Revenue*			14,778
	Total Other Wastewater Revenue			\$24,657
	TOTAL WASTEWATER OPERATING REVENUES			\$1,738,975

*Transfer Reuse Revenues to Miscellaneous Wastewater Revenue (see W-10) at the Rate of \$.10 per 1,000 Gallons Sold (\$.10 x 147,781=\$14,778) per Order No. PSC-96-1147-FOF-WS (Page 58) Docket No. 951258 Issued 9/12/96.

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WASTEWATER
 WASTEWATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

MAINS

COLLECTING MAINS						
			See Exhibit "E"			
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

FORCE MAINS						
			See Exhibit "E"			
Size (inches)	0	0	0	0	0	0
Type of main						
Length of main (ft.):						
End of year	0	0	0	0	0	0

FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY - WASTEWATER
 WASTEWATER SYSTEM INFORMATION
 Year of Report - December 31, 1997

TREATMENT PLANT

Manufacturer	Davco
Type	Anoxic/Oxic
Steel or Concrete	Steel
Total capacity (gallons)	0.750 MGD
Average daily flow (GPD)	0.523 MGD
Effluent disposal	Golf Course Irrigation/Spray Irrigation/Surface Water
Total gallons of sewage treated	201,396,000

OTHER WASTEWATER SYSTEM INFORMATION

1. Maximum number of ERC's * which can be served 2,727
 2. Estimated annual increase in ERC's *. 20
 3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Regulation (DER) for Systems in operation FL0042293
 4. State any plans and estimated completion dates for any enlargements of this system.
.....
 5. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
 - a. Evaluation of the present plant or plants in regard to meeting the DER's 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?
100.0%
- * ERC = (Total Gallons Treated / 365 days) / 275 Gallons Per Day

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

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY - WASTEWATER
WASTEWATER SYSTEM INFORMATION
Year of Report - December 31, 1997

METERS AND CALCULATION OF METER EQUIVALENTS

Meter Size (a)	Type of Meter (b)	Equivalent Factor (c)	Number of Wastewater Start of Year (d)	End of Year (e)	Total No. of Meters Equivalent (c x e) (f)
5/8"	Displacement	1.0	4,545	4,566	4,566
3/4"	Displacement	1.5	0	0	0
1"	Displacement	2.5	8	8	20
1 1/2"	Displacement or Turbine	5.0	0	0	0
2"	Displacement, Compound or Turbine	8.0	5	5	40
3"	Displacement	15.0	0	0	0
3"	Compound	16.0	0	0	0
3"	Turbine	17.5	0	0	0
4"	Displacement or Compou	25.0	0	0	0
4"	Turbine	30.0	0	0	0
6"	Displacement or Compou	50.0	0	0	0
6"	Turbine	62.5	0	0	0
8"	Compound	80.0	0	0	0
8"	Turbine	90.0	0	0	0
10"	Compound	115.0	0	0	0
10"	Turbine	145.0	0	0	0
12"	Turbine	215.0	0	0	0
Total			4,558	4,579	4,626

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTI
(ERC's)

$$\text{ERC's} = \frac{(201,396,000 / 365) / 275 \text{ gpd}}{\text{total gallons treated}} = \underline{\quad 2,006 \text{ ERC's} \quad}$$

EXHIBIT "D"

PUMPING EQUIPMENT
 FLORIDA CITIES WATER COMPANY
 BAREFOOT BAY DIVISION

<u>STATION</u>	<u>YR INST REHAB</u>	<u>TYPE</u>	<u>RATED PUMP CAP</u>	<u>MOTOR DATA</u>
A(Main Pumping st	1990	flygt submersible	2@ 800 gpm	14.8 240 V/3ph
B	1990	flygt Submersible	2@ 200 gpm	3HP 240 V/3ph
C	1979	flygt Submersible	2@ 300 gpm	230 V/3 ph
D	1976	flygt Submersible	2@400 gpm	7-1/2 HP 230 V/3 ph
E	1996	flygt Submersible	2@388 gpm	10 HP
F	1984	flygt Submersible	2@400 gpm	7-1/2 HP 230 V/3 ph
G	1995	flygt Submersible	2@ 93 gpm	230 V/9ph
GOLF COURSE	1970	Barnes Submersible	1@ 20 gpm	115-V/1ph
FIRE STATION	1975	Barnes Submersible	1@ 20 gpm	115-V/1ph
LUTHERAN CONCORDIA CHURCH	1976	Barnes Submersible	1@ 20gpm	115-V/1ph

EXHIBIT "E"

WASTEWATER COLLECTION MAINS/ FORCE MAINS
 FLORIDA CITIES WATER CO
 BAREFOOT BAY DIVISION

<u>PIPE FT</u>	<u>SIZE/TYPE</u>	<u>BEGINNING OF 1997</u>	<u>ADDED FEET</u>	<u>RETIRED FEET</u>	<u>END 1997</u>
<u>A. GRAVITY MAINS</u>					
	18" VCP	255	0	0	255
	12" VCP	3,929	0	0	3,929
	10" VCP	7,110	0	0	7,110
	8" VCP	90,989	0	60	90,929
	10" PVC	55	0	0	55
	8" PVC	66,715	60	0	66,775
	18" CI	54	0	0	54
	10" CI	84	0	0	84
	8" CI	1,378	0	0	1,378
<u>TOTAL</u>		<u>170,569</u>	<u>60</u>	<u>60</u>	<u>170,569</u>
<u>B. MANHOLES</u>		729			729
<u>C. FORCE MAINS</u>					
	16" CI	2,260	0	0	2,260
	12" CI	5,177	0	0	5,177
	10" CI	884	0	0	884
	6" CI	2,513	0	0	2,513
	4" CI	568	0	0	568
	12" PVC	100	0	0	100
	10" PVC	3,614	0	0	3,614
	6" PVC	1,184	0	0	1,184
	4" PVC	1,030	0	0	1,030
	3" PVC	250	0	0	250
	2" PVC	8,416	0	0	8,416
<u>TOTAL</u>		<u>25,996</u>	<u>0</u>	<u>0</u>	<u>25,996</u>

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(NORTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 1 * Inlet Drive	1992	Flyght Submersible	3 @ 400 gpm	1-10 HP 2-20 HP 480V/3 PH
No. 2 Lakeview	1988	Flyght Submersible	2 @ 100 gpm	5 HP 230V/3 PH
No. 3 St. Clair	1983	Flyght Submersible	2 @ 150 gpm	5 HP 3 PH
No. 4 White Plains	1982	Flyght Submersible	2 @ 100 gpm	2.3 HP 230V/3 PH
No. 5 Randag	1997	Flyght Submersible	2 @ 100 gpm	7.5 HP 230V/3 PH
No. 6 Barrett Park	1993	Flyght Submersible	2 @ 37.2 gpm	7.6 HP 230V/1 PH
No. 7 Golf Club	1976	Flyght Submersible	2 @ 100. gpm	5 HP 230V/3 PH
No. 8 Moody	1969	Flyght Submersible	2 @ 125 gpm	5 HP 230V/3 PH
No. 9 April Lane	1993	Flyght Submersible	2 @ 200 gpm	5 HP 230V/3 PH
No. 10 Hall Tree	1974	Flyght Submersible	2 @ 50 gpm	5 HP 230V/3 PH
No. 11 Lee County Housing	1982	Flyght Submersible	2 @ 160 gpm	5 HP 240/3 PH
No. 12 North Key	1994	Flyght Submersible	2 @ 162 gpm	10 HP 230V/3 PH
No. 13 Hancock Bridge	1993	Flyght Submersible	2 @ 165 gpm	10 HP 230V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(NORTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 14 Norht River Mile	1994	Flyght Submersible	2 @ 188 gpm	5 HP 230V/3 PH
No. 15 Hidden Acres	1979	Hydromatic Submersible	2 @ 100 gpm	5 HP 230V/1 PH
No. 16 Orange Grove	1990	Flyght Submersible	2 @ 670 gpm	14.8 HP 230V/3 PH
No. 17 Ridgeway	1997	Flyght Submersible	2 @ 320 gpm	7.5HP 230V/3 PH
No. 18 Hancock Crk Elem.	1995	Flyght Submersible	2 @ 225gpm	10 HP 230V/3 PH
No. 19 Lee County Housing	1981	Flyght Submersible	2 @ 150 gpm	5 HP 230V/3 PH
No. 20 Pine Land	1990	Flyght Submersible	2 @ 250 gpm	5 HP 230V/3 PH
No. 21 Lochmoor (Birkdale)	1990	Flyght Submersible	2 @ 105 gpm	5 HP 230V/3 PH
No. 22 Lochmoor (Orange Grove)	1976	Flyght Submersible	2 @ 100 gpm	1.9 HP 230V/1 PH
No. 23 Lochmoor (Yacht Basin)	1977	Flyght Submersible	2 @ 130 gpm	5 HP 230V/3 PH
No. 24 Pine Vig Care Ctr	1985	Flyght Submersible	2 @ 250 gpm	2.3 HP 230/3 PH
No. 25 Willow Creek	1989	Flyght Submersible	2 @ 108 gpm	2.3 HP 230V/1 PH
No. 26 Mangrove Bay	1990	Flyght Submersible	2 @ 100 gpm	3 HP 230V/3 PH
No. 27 Buttonwood Harbor	1991	Flyght Submersible	2 @ 162 gpm	4 HP 208V/3 PH
No. 28 Palm Island	1991	Flyght Submersible	2 @ 225 gpm	7.5 HP 208V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 1 Kenwood	1989	Flyght Submersible	2 @ 225 gpm	10 HP 230V/3 PH
No. 2 Linden place	1995	Flyght Submersible	2 @ 460 gpm	10 HP 230V/3 PH
No. 3 Provincetown	1989	Flyght Submersible	2 @ 225 gpm	7 HP 230V/1PH
No. 4 Main Office	1988	Flyght Submersible	1 @ 75 gpm	1 HP 230V/1PH
No. 5 University Park	1994	Flyght Submersible	2 @ 460 gpm	10 HP 208V/3PH
No. 6 Hidden Gardens	1996	Flyght Submersible	2 @ 149 gpm	5 HP 230V/3 PH
No. 7 Whiskey Creek	1994	Flyght Submersible	2 @ 400 gpm	10 HP 230V/3PH
No. 8 College Plaza	1986	Flyght Submersible	2 @ 400 gpm	20 HP 230V/3PH
No. 9 Canterbury School	1990	Flyght Submersible	2 @ 145 gpm	3.5 HP 230V/3PH
No. 10 Cypress Tract	1987	Flyght Submersible	2 @ 460 gpm	10 HP 208V/3PH
No. 11 Greengate	1986	Flyght Submersible	2 @ 475 gpm	10 HP 230V/3PH
No. 12 Martinique	1997	Flyght Submersible	2 @ 470 gpm	10 HP 230V/3PH
No. 13 Caloosa Bayview	1995	Flyght Submersible	2 @ 50 gpm	10 HP 230V/3PH
No. 14 Caloosa Bayview	1985	Flyght Submersible	2 @ 230 gpm	3.2 HP 230V/3PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 15 Caloosa Bayview	1971	Flyght Submersible	2 @ 50 gpm	5 HP 230V/3 PH
No. 16 Design Center	1986	Flyght Submersible	2 @ 100 gpm	3 HP 230V/3 PH
No. 17 South Point	1994	Flyght Submersible	2 @ 840 gpm	20 HP 230V/1PH
No. 18 Sandlewood	1980	Flyght Submersible	2 @ 140 gpm	5 HP 230V/3PH
No. 19 Principia	1990	Flyght Submersible	2 @ 225 gpm	5 HP 230V/3 PH
No. 20 Cypress Lake SHPG CTR	1987	Flyght Submersible	2 @ 490 gpm	20 HP 230V/3 PH
No. 21 College Park	1987	Flyght Submersible	2 @ 103 gpm	5 HP 230V/3PH
No. 22 Swan Lake	1996	Flyght Submersible	2 @ 400 gpm	20 HP 230V/3PH
No. 23 Minster	1995	Flyght Submersible	2 @ 376 gpm	10 HP 230V/3PH
No. 24 Acura	1987	Flyght Submersible	2 @ 130 gpm	7.5 HP 230V/3 PH
No. 25 S Town & River FRT	1994	Flyght Submersible	2 @ 122 gpm	2.5 HP 230V/3PH
No. 26 Myerlee Gardens	1981	Flyght Submersible	2 @ 500 gpm	5 HP 230V/3PH
No. 27 S Town & River Rear	1988	Flyght Submersible	2 @ 100 gpm	1.5 HP 230V/3PH
No. 28 Deep Lagoon	1978	Flyght Submersible	2 @ 122 gpm	2.5 HP 230V/3PH
No. 29 N Town & River FRT	1988	Flyght Submersible	2 @ 125 gpm	7.5 HP 230V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 30 Conover	1975	Flyght Submersible	2 @ 175 gpm	2.5 HP 230V/3 PH
No. 31 N Town & River Rear	1997	Flyght Submersible	2 @ 100 gpm	3.2 HP 230V/3 PH
No. 32 Palmetto Point	1994	Flyght Submersible	2 @ 225 gpm	10 HP 230V/3PH
No. 33 Fiesta Way	1994	Flyght Submersible	2 @ 131 gpm	10 HP 230V/3PH
No. 34 Edison Community College	1987	Flyght Submersible	2 @ 360 gpm	10 HP 230V/3 PH
No. 35 Myerlee	1990	Flyght Submersible	2 @ 50 gpm	5 HP 230V/3 PH
No. 36 Brandywine Front	1995	Flyght Submersible	2 @ 600 gpm	5 HP 230V/3PH
No. 37 Winkler	1995	Flyght Submersible	2 @ 407 gpm	15 HP 230V/3PH
No. 38 Parker Lakes W.	1995	Flyght Submersible	2 @ 350 gpm	10 HP 230V/3PH
No. 39 Moors	1997	Flyght Submersible	2 @ 410 gpm	5 HP 230V/3 PH
No. 40 Brandywine Rear	1989	Flyght Submersible	2 @ 100 gpm	4 HP 230V/3PH
No. 41 New Approach	1996	Flyght Submersible	2 @ 400 gpm	10 HP 230V/3PH
No. 42 Popham	1994	Flyght Submersible	2 @ 365 gpm	20 HP 230V/3PH
No. 43 Flossmoor	1997	Flyght Submersible	2 @ 220 gpm	10 HP 230V/3PH
No. 44 Courtyards	1984	Flyght Submersible	2 @ 165 gpm	9.4 HP 230V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 45 Mayfair	1986	Flyght Submersible	2 @ 135 gpm	4 HP 230V/3 PH
No. 46 The Club	1984	Flyght Submersible	2 @ 225 gpm	4 HP 230V/3 PH
No. 47 Overlook	1986	Flyght Submersible	2@100 gpm	9.4 HP 230V/3PH
No. 48 Spring Lake Colony	1990	Flyght Submersible	2 @ 100 gpm	10 HP 230V/3PH
No. 49 Seven Lakes	1975	Flyght Submersible	2 @ 275 gpm	20 HP 230V/3 PH
No. 50 Coral Waters	1982	Flyght Submersible	2 @ 100 gpm	3 HP 230V/3 PH
No. 51 7 Lakes	1994	Flyght Submersible	2 @ 360 gpm	20 HP 230V/3PH
No. 53 Coral Waters	1982	Flyght Submersible	2 @ 100 gpm	2.3 HP 230V/3PH
No. 54 Lakeridge	1980	Flyght Submersible	2 @ 255 gpm	10 HP 230V/3 PH
No. 55 Memoli	1995	Flyght Submersible	2 @ 366 gpm	14.8 HP 230V/3PH
No. 56 Pine Meadows	1983	Flyght Submersible	2 @ 158 gpm	10 HP 230V/3PH
No. 57 Regal Plaza	1986	Flyght Submersible	2 @ 150 gpm	7.5 HP 230V/3PH
No. 58 Summerlin Trace	1987	Flyght Submersible	2 @ 152 gpm	3 HP 230V/3PH
No. 59 Waterford Place	1988	Flyght Submersible	2 @ 180 gpm	3.2 HP 230V/3 PH
No. 60 McGregor Pines	1988	Flyght Submersible	2 @ 100 gpm	2.3 HP 230V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 61 LAKES PARK	1989	Flyght Submersible	2 @ 100 gpm	10 HP 230V/3 PH
No. 62 STONEBRIDGE	1989	Flyght Submersible	2 @ 190 gpm	10 HP 230V/3 PH
No. 63 HAMPTON LAKES	1989	Flyght Submersible	2 @ 100 gpm	10 HP 230 V/3 PH
No. 64 PARKER LAKES FRT	1989	Flyght Submersible	2 @ 340 gpm	20 HP 230V/3 PH
No. 65 HERITAGE WOODS	1994	Flyght Submersible	2 @ 100 gpm	10 HP 208V/3 PH
No. 66 U.S. 41 SOUTH	1990	Flyght Submersible	2 @ 160 gpm	10 HP 230V/3 PH
No. 67 SUMMERLIN PARK SOUTH	1990	Flyght Submersible	2 @ 255 gpm	10 HP 208V/3PH
No. 68 WOODGATE	1989	Flyght Submersible	2 @ 110 gpm	10 HP 230V/3PH
No. 69 PARKER LAKES REAR	1989	Flyght Submersible	2 @ 270 gpm	20 HP 230/3 PH
No. 70 ONE UNIVERSITY	1990	Flyght Submersible	2 @ 260 gpm	10 HP 230/3 PH
No. 71 PADDLE CREEK	1990	Flyght Submersible	2 @ 210 gpm	10 HP 230V/3 PH
No. 72 VLG OF ASCOT	1991	Flyght Submersible	2 @ 250 gpm	10 HP 230V/3 PH
No. 73 Heath Park	1992	Flyght Submersible	2 @ 600 gpm	20 HP 480V/3 PH
No. 74 Heath Park	1992	Flyght Submersible	2 @ 450 gpm	10 HP 480V/3 PH
No. 75 Epoch	1990	Flyght Submersible	2 @ 225 gpm	10 HP 230V/3 PH
No. 76 Casa Del Mar	1992	Flyght Submersible	2 @ 260 gpm	20 HP 230V/3 PH

EXHIBIT "F"

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
(SOUTH SYSTEM)**

<u>LIFT/ PUMPING STATION</u>	<u>YEAR INSTALLED/ REHAB</u>	<u>TYPE</u>	<u>RATED CAPACITY</u>	<u>MOTOR DATA</u>
No. 77 Summerlin Ctr	1993	Flyght Submersible	2 @ 400 gpm	10 HP 230V/3 PH
No. 78 Winkler Estates	1991	Flyght Submersible	2 @ 400 gpm	10 HP 480V/3 PH
No. 79 Lake Country Club	1993	Flyght Submersible	2 @ 366 gpm	10 HP 230 V/3 PH
No. 80 Fernwalk	1994	Flyght Submersible	2 @ 400 gpm	10 HP 230V/3 PH
No. 81 Belle Meade (F)	1990	Flyght Submersible	2 @ 400 gpm	10 HP 208V/3 PH
No. 82 Belle Meade (R)	1990	Flyght Submersible	2 @ 166 gpm	2.3 HP 230V/3 PH
No. 83 Lexington #1 NW	1995	Flyght Submersible	2 @ 400 gpm	15 HP 230V/3PH
No. 84 Lexington NE	1995	Flyght Submersible	2 @ 400 gpm	15 HP 230V/3PH
No. 85 Lexington SW	1995	Flyght Submersible	2 @ 400 gpm	15 HP 230/3 PH
No. 86 Lexington SE	1995	Flyght Submersible	2 @ 400 gpm	15 HP 230/3 PH
No. 87 Lexington #5	1996	Flyght Submersible	2 @ 400 gpm	15 HP 230V/3 PH
No. 88 Lexington #6	1996	Flyght Submersible	2 @ 400 gpm	20 HP 230V/3 PH
No. 89 Comm. Corner	1996	Flyght Submersible	2 @ 400 gpm	7.5 HP 480V/3 PH

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
WASTEWATER COLLECTING, INTERCEPTOR & FORCE MAINS
PRIVATELY OWNED, OPERATED AND MAINTAINED BY CUSTOMER/OWNER.**

NORTH

<u>PIPE SIZE/PIPE</u>	<u>BEGINNING OF 1997 LF</u>	<u>ADDED LF</u>	<u>RETIRED LF</u>	<u>END OF 1997 LF</u>
C. COLLECTION/INTERCEPTOR MAINS				
15" VCP	1,550			1,550
14" VCP	30			30
12" VCP	2,146			2,146
10" VCP	760			760
10" PVC	2,025			2,025
8" VCP	119,283			119,283
8" PVC	25,481	329		25,810
8" DIP	90			90
6" VCP	940			940
6" DIP	40			40
4" PVC	2,349			2,349
4" DIP	322			322
TOTAL	155,016	329	0	155,345
B. MANHOLES				
4FT. MANHOLES	642	3		645
C. FORCE MAINS				
12" PVC/DIP	1,900			1,900
10" PVC/DIP	11,543			11,543
8" PVC/DIP	3,641			3,641
6" PVC/DIP	23,260			23,260
4" PVC/DIP	12,044			12,044
TOTAL	52,388	0	0	52,388

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
WASTEWATER COLLECTING, INTERCEPTOR & FORCE MAINS
PRIVATELY OWNED, OPERATED AND MAINTAINED BY
CUSTOMER/OWNER**

PRIVATE SYSTEMS
NORTH

<u>PIPE SIZE</u>	<u>BEGINNING OF 1997 LF</u>	<u>ADDED LF</u>	<u>DELETED LF</u>	<u>END OF 1997 LF</u>
C. CUSTOMER/PRIVATE OWNED/MAINTAINED				
8" PVC	1,220			1,220
6"VCP	150			150
TOTAL	1,370	0	0	1,370

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
WASTEWATER COLLECTING, INTERCEPTOR & FORCE MAINS
PRIVATELY OWNED, OPERATED AND MAINTAINED BY CUSTOMER/OWNER.**

SOUTH

<u>PIPE SIZE/PIPE</u>	<u>BEGINNING OF 1997 LF</u>	<u>ADDED LF</u>	<u>RETIRED LF</u>	<u>END OF 1997 LF</u>
C. COLLECTION/INTERCEPTOR MAINS				
16" VCP	3,132			3,132
15" PVC	996			996
12" VCP	230			230
14" PVC	143			143
12" VCP	604			604
10" VCP	9,018			9,018
10" PVC	178			178
10" DIP	2,063			2,063
8" VCP	156,433			156,433
8" PVC	87,745	20,556		108,301
8" DIP	4,000			4,000
6" VCP	9,941			9,941
6" PVC	13,446			13,446
6" DIP	2,754			2,754
4" PVC	2,484			2,484
4" DIP	323			323
TOTAL	293,490	20,556	0	314,046
B. MANHOLES				
4FT. MANHOLES	1,339	94		1,433
C. FORCE MAINS				
30" PSC	65			65
20" PSC	2,764			2,764
18" PSC	2,772			2,772
16" PSC	4,463			4,463
12" PVC/DIP	56,827			56,827
10" PVC/DIP	11,505	1,528		13,033
8" PVC/DIP	36,135	2,725		38,860
6" PVC/DIP	31,728	4,218		35,946
4" PVC/DIP	26,391	4,270		30,661
3" PVC/DIP	4,100			4,100
TOTAL	176,750	12,741	0	189,491

**FLORIDA CITIES WATER COMPANY
LEE COUNTY DIVISION
WASTEWATER COLLECTING, INTERCEPTOR & FORCE MAINS
PRIVATELY OWNED, OPERATED AND MAINTAINED BY
CUSTOMER/OWNER**

PRIVATE SYSTEMS
SOUTH

<u>PIPE SIZE</u>	<u>BEGINNING OF 1997 LF</u>	<u>ADDED LF</u>	<u>DELETED LF</u>	<u>END OF 1997 LF</u>
C. CUSTOMER/PRIVATE OWNED/MAINTAINED				
8"VCP	12,843			12,843
8" PVC	22,560			22,560
6"VCP	1,372			1,372
TOTAL	36,775	0	0	36,775

EXHIBIT "H"

5. *What is the current need for system upgrading and/or expansion?*

Additional water treatment capacity.

6. *What are the plans for future system upgrading and/or expansion?*

Additional wells constructed in 1999 & 2000. Additional transmission mains constructed in 1998. Additional pumping capacity installed in 1999. A 4.5 MGD plant expansion of Green Meadows Water Treatment Plant constructed in 2000.

Construction of a 0.25 MGD reverse osmosis (RO) plant at Waterway Estates Water Treatment Plant is expected to be necessary by 1999. Florida Cities Water Company is in the design and preliminary permitting phase of the RO plant expansion.

5. *What is the current need for system upgrading and/or expansion?*

Additional water treatment capacity.

6. *What are the plans for future system upgrading and/or expansion?*

Additional wells constructed in 2000 and 2001. Additional transmission mains constructed in 1998. Additional pumping capacity installed in 2000. A 4.50 MGD plant expansion of Green Meadows Water Treatment Plant constructed by 2002.

Construction of a 0.25 MGD reverse osmosis (RO) plant at Waterway Estates Water Treatment Plant is expected to be necessary by 1999. Florida Cities Water Company is in the design and preliminary permitting phase of the RO plant expansion.