

FERNCREST UTILITIES, INC.

ANNUAL REPORT

DECEMBER 31, 1998

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Division of
Water and Wastewater
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Florida Public Service Commission
Division of Water and Wastewater

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

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

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the 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.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(Signature of Chief Executive Officer of the utility)

1.	2.	3.	4.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Signature of Chief Financial Officer of the utility)

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

NOTICE:

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

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 1998

Femcrest Utilities, Inc. _____
(Exact Name of Utility)

County: Broward

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

Femcrest Utilities, Inc.
3015 S.W. 54th Avenue
Fort Lauderdale, Florida 33314

Telephone: 954 587-8833

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

Robert V. Salerno
Femcrest Utilities, Inc.
3015 S.W. 54th Avenue
Fort Lauderdale, Florida 33314
Telephone: 954 587-8833

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

Femcrest Utilities, Inc.
3015 S.W. 54th Avenue
Fort Lauderdale, Florida 33314

Telephone: 954 587-8833

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

Not Applicable

Date of original organization of the utility: February 28, 1969

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

- Individual
- Partnership
- Sub S Corporation
- 1120 Corporation

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

	Name	Percent Ownership
1.	M. Austin Forman	50.00%
2.	Ollie Cohen	25.00%
3.	Murray Candib	25.00%
4.		
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: Farmcrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1) & (2)	TITLE OR POSITION (1) & (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Robert V. Salerno	President and General Manager		Rate Proceedings Rule Clarification. Complaint Response
Debra A. Salerno	Customer Service Rep.		Complaint Response
Barry K. Asmus	Regulatory Consultants (305) 758-6157	Regulated Industry Consultants, Inc.	Rate Proceedings & Regulatory Matters
David B. Erwin	Attorney (904)-222-7206	Young, van Assenderp, et al	Rate Proceedings & Regulatory Matters
Andrew Trumbach	Accountant/Consultant (954) 587-0330	American Marketing & Management, Inc.	Regulatory Matters

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

UTILITY NAME: Ferncrest Utilities, Inc.

COMPANY PROFILE

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

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

A.	The Company was founded in 1969 to serve the existing City of Ferncrest Village. The City of Ferncrest Village was dissolved in 1970 and the Company is now located in the Town of Davie. In 1979, Miles Austin Forman acquired 50% ownership of the Company.
B.	Water and Sewer Service.
C.	The major goals of the Company are to continue to provide and improve the highest quality water and wastewater service to its customers.
D.	Major operating divisions are: <ul style="list-style-type: none">- Water Treatment- Water Distribution- Wastewater Collection- Wastewater Treatment
E.	No growth projected.
F.	There were no transactions that had a material effect on Operations.

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT
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PARENT/AFFILIATE ORGANIZATION CHART

Current as of _____

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

NOT APPLICABLE

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	% OF TIME SPENT OFFICERS COMPENSATION (d)
Robert V. Salerno	President	100.00%	\$ 65,805
Christine Forman	Secretary	10.00%	0

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 MEETINGS ATTENDED (c)	NUMBER OF DIRECTORS COMPENSATION (d)
None			\$ 0

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

OFFICER DIRECTOR OR AFFILIATE (a)	NAME OF IDENTIFICATION OF SERVICE OR (b)	AMOUNT PRODUCT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
None		\$ 0	

* 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:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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AFFILIATION OF OFFICERS AND DIRECTORS

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

NAME (a)	OCCUPATION OR BUSINESS AFFILIATION (b)	PRINCIPLE AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Christine Forman	Avalon Associates, Inc.	President	Avalon Associates, Inc. 3921 SW 47th Ave, #10 Davie, FL 33329

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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BUSINESSES WHICH ARE A BY PRODUCT, 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 revenue 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: Ferncrest Utilities, Inc.

YEAR OF REPORT
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

1. Enter in this part all transactions involving services and products received or provided.

2. Below are some types of transactions to include:

- management, legal and accounting services
- computer services
- engineering & construction services
- repairing and servicing of equipment
- material and supplies furnished
- leasing of structures, land, and equipment
- rental transactions
- sale, purchase or transfer of various products

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			CONTRACT OR (S)old (d)	
M. Austin Forman	Interest	On Demand		\$ 15,226

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

Enter in this part all transactions relating to the purchase, sale, or transfer of assets.

3. The columnar instructions follow:

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

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

NAME OF COMPANY (a)	DESCRIPTION OF ITEMS (b)	SALE OR PURCHASE PRICE (c)	NET BOOK VALUE (d)	GAIN OR LOSS VALUE (e)	FAIR MARKET VALUE (f)
None		\$	\$	\$	\$

UTILITY NAME: Ferncrest Utilities, Inc.

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)
PLANT (Intrastate Only) (000's Omitted):		
Plant in Service _____	\$ 1,666	\$ 2,071
Construction Work In Progress _____		
Plant Acquisition Adjustment _____		
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	767	1,085
Contributions In Aid of Construction _____	200	308
Net Book Cost _____	\$ 699	\$ 678
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _____	\$ 515	\$ 631
Depreciation and Amortization Expense _____	\$ 42	\$ 40
Income Tax Expense _____		
Taxes Other Than Income _____	59	70
Other Operation Expenses _____	400	457
Total Operating Expenses _____	\$ 501	\$ 567
Net Operating Income _____	\$ 14	\$ 64
Other Income _____	\$	\$
Other Income Deductions _____		
Net Income _____	\$ 14	\$ 64
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	1,485	1,485
Commercial - Yearly Average _____	69	31
Industrial - Yearly Average _____	0	0
Others - Yearly Average _____	0	0
Total _____	1,554	1,516
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _____	N/A	N/A
Average Annual Residential Cost Per 1,000 Gallons _____	\$ N/A	\$ N/A
Average Residential Monthly Bill _____	\$ 19.08	\$ 23.73
Gross Plant Investment Per Customer _____	\$ 1,072.07	\$ 1,366.09

**FINANCIAL
SECTION**

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-105	Utility Plant _____	F-5	\$ 3,736,531	\$ 3,711,271
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	(1,851,376)	(1,710,331)
	Net Plant _____		\$ 1,885,155	\$ 2,000,940
114-115	Utility Plant Acquisition Adjustments (Net) _____	F-5		
	Other Plant Adj. _____			
	Total Net Utility Plant _____		\$ 1,885,155	\$ 2,000,940
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property _____	F-7	\$	\$
122	Less: Accumulated Depreciation and Amortization _____			
	Net Nonutility Property _____		\$	\$
123	Investment In Associated Companies _____	F-8		
124	Utility Investments _____	F-8		
125	Other Investments _____	F-8		
127	Other Special Funds _____	F-8		
	Total Other Property & Investments _____		\$	\$
	CURRENT AND ACCRUED ASSETS			
131	Cash _____		\$ 202,952	\$ 176,832
132	Special Deposits _____	F-7		
134	Working Funds _____			
135	Temporary Cash Investments _____			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts _____	F-9	126,706	144,102
145	Accounts Receivable from Associated Companies _____	F-10	40,000	
146	Notes Receivable from Associated Companies _____	F-10		
151	Material and Supplies _____			
162	Prepayments _____	F-11		
171	Accrued Interest and Dividends Receivable _____			
174	Misc. Current and Accrued Assets _____		36,070	6,877
	Total Current and Accrued Assets _____		\$ 405,728	\$ 327,811

F-1(a)

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

	NO. (a)	ACCT. ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
		DEFERRED DEBITS			
181		Unamortized Debt Discount & Expense _____	F-12	\$ _____	\$ _____
182		Extraordinary Property Losses _____	F-12		
186		Misc. Deferred Debits _____	F-11	32,982	64,314
190		Accumulated Deferred Income Taxes _____			
		Total Deferred Debits _____		\$ 32,982	\$ 64,314
		TOTAL ASSETS AND OTHER DEBITS _____		\$ 2,323,865	\$ 2,393,065

NOTES TO THE BALANCE SHEET

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

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	EQUITY CAPITAL			
201	Common Stock Issued _____	F-14	\$ 10,000	\$ 10,000
204	Preferred Stock Issued _____	F-14		
211	Other Paid - In Capital _____		120,000	120,000
212	Discount On Capital Stock _____			
213	Capital Stock Expense _____		(5,733,908)	(5,220,043)
214-215	Retained Earnings _____	F-15		
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital _____		\$ (5,603,908)	\$ (5,090,043)
	LONG TERM DEBT			
221	Bonds _____	F-16		
223	Advances from Associated Companies _____	F-16	208,693	188,700
224	Other Long Term Debt _____	F-14	4,334,431	3,948,918
	Total Long Term Debt _____		\$ 4,543,124	\$ 4,137,618
	CURRENT AND ACCRUED LIABILITIES			
231	Accounts Payable _____		15,122	17,623
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Companies _____	F-13	2,294	2,294
234	Notes Payable to Associated Companies _____	F-13	1,563,456	1,595,182
235	Customer Deposits _____		36,527	58,859
236	Accrued Taxes _____	F-17	53,068	90,054
237	Accrued Interest _____	F-18	782,338	627,192
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current & Accrued Liabilities _____	F-19	423,978	387,711
	Total Current & Accrued Liabilities _____		\$ 2,876,783	\$ 2,778,915

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. (a)	ACCOUNT NAME NO. (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED CREDITS			
251	Unamortized Premium On Debt _____	F-12	\$	\$
252	Advances For Construction _____	F-19	0	0
253	Other Deferred Credits _____			
255	Accumulated Deferred Investment Tax Credits _____			
	Total Deferred Credits _____		\$ 0	\$ 0
	OPERATING RESERVES			
261	Property Insurance Reserve _____		\$	\$
262	Injuries & Damages Reserve _____			
263	Pensions and Benefits Reserve _____			
265	Miscellaneous Operating Reserves _____			
	Total Operating Reserves _____		\$ 0	\$ 0
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction _____	F-20	\$ 1,512,677	\$ 1,512,677
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(1,004,811)	(946,102)
	Total Net C.I.A.C. _____		\$ 507,866	\$ 566,575
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$	\$
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			
283	Accumulated Deferred Income Taxes - Other _____			
	Total Accumulated Deferred Income Tax _____		\$ 0	\$ 0
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,323,865	\$ 2,393,065

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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COMPARATIVE OPERATING STATEMENT

NO. (a)	ACCT. ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 1,166,297	F-3(b)	\$ 1,146,118
401	Operating Expenses _____	\$ 832,203	F-3(b)	\$ 857,438
403	Depreciation Expense _____	81,089	F-6	82,336
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	119,833	F-17	128,792
409.1	Income Taxes _____		F-17	
410.10	Deferred Income Taxes _____			
411.10	Provision for Deferred Income Taxes - Credit _____			
412.10	Investment Tax Credits Deferred to Future Periods _____			
412.11	Investment Tax Credits Restored to Operating Income _____			
	Utility Operating Expenses _____	\$ 1,033,125		\$ 1,068,566
	Utility Operating Income _____	\$ 133,172		\$ 77,552
413	Income From Utility Plant Leased to others _____			
414	Gains (losses) From Disposition of Utility Property _____			
	Total Utility Operating Income [Enter here and on Page F-3(c)] _____	\$ 133,172		\$ 77,552

F-3(a)

COMPARATIVE OPERATING STATEMENT (Cont'd)

PAGE (f)	REF. WATER (g)	PAGE (h)	REF. WASTEWATER (i)	OTHER (j)
W-3	\$ 514,850	S-3	\$ 631,268	\$
W-2	\$ 399,738	S-2	\$ 457,700	\$
F-6	42,431	F-6	39,905	
F-6		F-6		
F-17	59,037	F-17	69,755	
F-17		F-17		
	\$ 501,206		\$ 567,360	\$
	\$ 13,644		\$ 63,908	\$
	\$ 13,644		\$ 63,908	\$

F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. (a)	ACCOUNT NAME NO. (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [from page F-3(a)]	\$ 133,172		\$ 77,552
	OTHER INCOME AND DEDUCTIONS			
415	Revenues-Merchandising, Jobbing, and Contract Deductions	\$		\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income			
420	Allowance for Funds Used During Construction			
421	Nonutility Income	14,308		13,172
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	\$ 14,308		\$ 13,172
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$	F-17	\$
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable To Other Income	\$		\$
	INTEREST EXPENSE			
427	Interest Expense	\$ 568,065	F-18	\$ 604,589
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	\$ 568,065		\$ 604,589
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$		\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items	\$		\$
	NET INCOME (LOSS)	\$ (420,585)		\$ (513,865)

* Interest added to Other Long Term Debt-Mtg Payable - Caribank (F14) 385,513
 Interest accrued on account 237.1 and 237.2 during year (F-18) 198,646
 Interest accrued on account 223 - Advances from Associated Companies 19,993
 Insurance and Other 437
 604,589

F-3(c)

SCHEDULE OF YEAR END RATE BASE

NO.	ACCT. ACCOUNT NAME	REF. PAGE	WATER UTILITY	WASTEWATER UTILITY
(a)	(b)	(c)	(d)	(e)
101	Utility Plant In Service _____	F-5	\$ 1,665,957	\$ 2,070,574
	Less:			
	Nonused and Useful Plant (1) _____			
108	Accumulated Depreciation _____	F-6	766,545	1,084,831
110	Accumulated Amortization _____	F-6		
271	Contributions In Aid of Construction _____	F-20	507,718	1,004,959
252	Advances for Construction _____	F-19		
	Subtotal _____		\$ 391,694	\$ (19,216)
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	307,619	697,192
	Subtotal _____		\$ 699,313	\$ 677,976
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____		46,907	57,119
	Other (Specify): _____ _____ _____			
	RATE BASE _____		\$ 746,220	\$ 735,095
	UTILITY OPERATING INCOME _____		\$ 13,644	\$ 63,908
	ACHIEVED RATE OF RETURN _____		1.83%	8.69%

NOTES :

- (1) Estimate if not Known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculated using Formula Method 1/8 of operating expenses (F-3(a) for both Water & Sewer.

UTILITY NAME: Ferncrest Utilities, Inc.

UTILITY PLANT (ACCTS. 101-106)

ACCT. (a)	DESCRIPTION (b)	WATER NO. (c)	WASTEWATER (d)	OTHER THAN	
				REPORTING (e)	SYSTEMS TOTAL (f)
101	Plant Accounts:				
102	Utility Plant In Service	\$ 1,665,957	\$ 2,070,574	\$	\$ 3,736,531
	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
	Total Utility Plant	\$ 1,665,957	\$ 2,070,574	\$	\$ 3,736,531

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN	
			REPORTING (d)	SYSTEMS TOTAL (e)
ACQUISITION ADJUSTMENTS (114):				
	\$ 0	\$ 0	\$ 0	\$ 0
Total Plant Acquisition Adjs.	\$ 0	\$ 0	\$ 0	\$ 0
ACCUMULATED AMORTIZATION (115):				
	\$ 0	\$ 0	\$ 0	\$ 0
Total Accumulated Amortization	\$ 0	\$ 0	\$ 0	\$ 0
Net Acquisition Adjustments	\$ 0	\$ 0	\$ 0	\$ 0

UTILITY NAME: Femcrest Utilities, Inc.

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER NO. (b)	WASTEWATER (c)	OTHER THAN		TOTAL (e)
			REPORTING (d)	SYSTEMS	
Balance first of year _____	\$ 705,189	\$ 1,005,142	\$		\$ 1,710,331
Credit during year:					
Accruals charged to Account 108	\$ 61,414	\$ 79,631	\$		\$ 141,045
Other Accounts (specify) _____					
Salvage _____					
Other Credits (Specify) _____					
Transfer from Water _____		58			58
Total Credits _____	\$ 61,414	\$ 79,689	\$		\$ 141,103
Debits during year:					
Book cost of plant retired _____					
Cost of removal _____					
Other Debits (specify) _____					
Transfer to Sewer _____	(58)				(58)
Total Debits _____	\$ (58)	\$	\$		\$ (58)
Balance end of year _____	\$ 766,545	\$ 1,084,831	\$		\$ 1,851,376

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER NO. (b)	WASTEWATER (c)	OTHER THAN		TOTAL (e)
			REPORTING (d)	SYSTEMS	
Balance first of year _____	\$ 0	\$ 0	\$ 0		\$ 0
Credit during year:					
Accruals charged to Account 110	\$ 0	\$ 0	\$ 0		\$ 0
Other Accounts (specify) _____					
Total Credits _____	\$ 0	\$ 0	\$ 0		\$ 0
Debits during year:					
Book cost of plant retired _____	0	0	0		0
Other Debits (specify) _____					
Total Debits _____	\$	\$	\$		\$
Balance end of year _____	\$ 0	\$ 0	\$ 0		\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
--

NONUTILITY PROPERTY (ACCT. 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121. Other items may be grouped by classes of property.				
DESCRIPTION (a)	BEGINING YEAR (b)	ADDITIONS BALANCE (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$ 0	\$ 0	\$ 0	
Total Nonutility Property _____	\$ 0	\$ 0	\$ 0	\$ 0

SPECIAL DEPOSITS (ACCT. 132)

Report hereunder all special deposits carried in Accounts 132.	
DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (ACCT. 132):	
	\$
Total Special Deposits _____	\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123-127)

Report hereunder all investments and special funds carried in Accounts 123 thru 127.		
DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): <hr/> <hr/> <hr/> <hr/> Total Investment in Associated Companies _____	\$ 0	\$ 0
UTILITY INVESTMENTS (ACCT. 124): <hr/> <hr/> <hr/> <hr/> Total Utility Investment _____	\$ 0	\$ 0
OTHER INVESTMENTS (ACCT. 125): <hr/> <hr/> <hr/> <hr/> Total Other Investment _____	\$ 0	\$ 0
SPECIAL FUNDS (ACCT. 127): <hr/> <hr/> <hr/> <hr/> Total Special Funds _____		\$ 0

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
--

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

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

DESCRIPTION (a)	TOTAL (b)
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141):	
Water _____ \$	
Wastewater _____	
Other _____	
Total Customer Accounts Receivable _____	\$ 124,231
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
Due from Employees _____ \$ 2,475	

Total Other Accounts Receivable _____	\$ 2,475
NOTES RECEIVABLE (Acct. 144):	
_____ \$	

Total Notes Receivable _____	\$
Total Accounts and Notes Receivable _____	\$ 126,706
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143)	
Balance first of year _____ \$	
Add: Provision for uncollectibles for current year _____ \$	
Collection of accounts previously written off _____	
Utility Accounts _____	
Others _____	
Total Additions _____	\$
Deduct accounts written off during year:	
Utility Accounts _____	
Others _____	
Total accounts written off _____	\$
Balance end of year _____	\$
Total Accounts and Notes Receivable - Net _____	\$ 126,706

UTILITY NAME: Ferncrest Utilities, Inc.

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
American Marketing & Management, Inc.	\$ 40,000
Total _____	\$ 40,000

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	RATE (b)	INTEREST
		TOTAL (c)
		\$ 0
Total _____		\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance_____	\$ 0
Prepaid Rents_____	0
Prepaid Interest_____	0
Prepaid Taxes_____	0
Other Prepayments (Specify): _____	

Total Prepayments_____	\$ 0

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1)_____	\$ 32,982
Other Deferred Debits (Acct. 186.2)_____	---
Total Miscellaneous Deferred Debits_____	\$ 32,982

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
(ACCTS. 181 & 251)**

Report the net discount and expense or premium separately for each security issue.		
DESCRIPTION (a)	AMOUNT	
	WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (ACCT. 181):		
_____	\$ 0	\$ 0

Total Unamortized Debt Discount and Expense_____	\$ 0	\$ 0
UNAMORTIZED PREMIUM ON DEBT (ACCT. 251)		
_____	\$ 0	\$ 0

Total Unamortized Premium on Debt_____	\$ 0	\$ 0

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.	
DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (ACCT. 182):	
_____	\$ 0

Total Extraordinary Property Losses_____	\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

NOTES PAYABLE (ACCTS. 232 & 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE:					\$ 0
None					
Total Account 232					\$
ACCOUNT 234 - NOTES PAYABLE TO ASSOC. COMPANIES:					\$ 0
See Attachment					1,563,456
Total Account 234					\$ 1,563,456

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
Miscellaneous (23310-00)	\$ 2,294
Total	\$ 2,294

UTILITY NAME:

Ferncrest Utilities, Inc.
For Year Ended December 31, 1998

Attachment to F-13, Acct 234 - Notes Payable to Assoc. Companies

(a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAY (e)	
Canco Enterprises	12/31/81	Demand	P+2%	Demand	\$ 1,149,153
Canco Enterprises	03/30/82	Demand	P+2%	Demand	30,000
M. Austin Forman	02/25/82	Demand	P+2%	Demand	30,000
Silver Oaks	11/19/84	Demand	P+2%	Demand	5,000
Silver Oaks	01/30/85	Demand	P+2%	Demand	5,000
M. Austin Forman	10/28/87	Demand	P+2%	Demand	20,000
M. Austin Forman	12/21/88	Demand	P+2%	Demand	2,828
Everglades Lake	Various	Demand	P+2%	Demand	16,900
Silver Oaks	Various	Demand	P+2%	Demand	63,050
Hamilton Forman	01/01/94	Demand	P+2%	Demand	3,879
M. Austin Forman	6-9/30/94	Demand	P+2%	Demand	83,000
M. Austin Forman	Various	Demand	P+2%	Demand	154,646
Total Account 234					<u>\$ 1,563,456</u>

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

CAPITAL STOCK (ACCTS. 201 & 204)

DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share _____	\$ 10	\$ None
Shares authorized _____	1,000	
Shares issued and outstanding _____	1,000	
Total par value of stock issued _____	\$ 10,000	\$
Dividends declared per share for year _____	\$ None	\$

LONG TERM DEBT (ACCT. 224)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
Mortgage Payable - Caribank (22410-00); (04/81, 1990)	P+2	Demand	\$ 4,024,077
Note Payable - LT Distributee; (09/20/82, Demand)	P+2	Demand	21,000
(10/28/87, Demand)	P+2	Demand	10,000
Note Payable - HMF Distributee; (01/10/85, Demand)	P+2	Demand	10000
(01/30/85, Demand)	P+2	Demand	5,000
(10/28/87, Demand)	P+2	Demand	10,000
(04/30/91, Demand)	P+2	Demand	16,000
Note Payable - B. Forman Estate; (10/24/79, Demand)	P+2	Demand	18,000
(01/15/80, Demand)	P+2	Demand	24,000
(01/10/85, Demand)	P+2	Demand	10,000
(10/28/87, Demand)	P+2	Demand	10,000
Note Payable - Charles Forman; (04/27/90, Demand)	P+2	Demand	25 000
(01/01/94, Demand)	P+2	Demand	27,235
Note Payable - C. & H. Forman (06/30/91, Demand)	P+2	Demand	20,000
(01/01/94, Demand)	P+2	Demand	104,119
Total _____			\$ 4,334,431

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

STATEMENT OF RETAINED EARNINGS

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

NO. (a)	ACCT. DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance Beginning of Year _____	\$ (5,220,043)
439	Changes to Account:	
	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: _____	\$

	Total Credits: _____	\$
	Debits: _____	\$

	Total Debits: _____	\$
435	Balance Transferred from Income _____	\$ (513,865)
436	Appropriations of Retained Earnings:	

	Total Appropriations of Retained Earnings _____	\$
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	
438	Common Stock Dividends Declared _____	
	Total Dividends Declared _____	\$
	Year end Balance _____	\$
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	\$
	Total Retained Earnings _____	\$ (5,733,908)

Notes to Statement of Retained Earnings:

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

BONDS (ACCT. 221)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
	%		\$ 0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
	%		0
Total _____			\$ 0

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each advance separately.	
DESCRIPTION (a)	TOTAL (b)
Silver Oaks (22310-00)	\$ 208,693
Total _____	\$ 208,693

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

ACCRUED TAXES (ACCT. 236)

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER NO. (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$ 45,027	\$ 45,027	\$	\$ 90,054
408.10	Accruals Charged: Utility Regulatory Assessment Fees	\$ 23,436	\$ 32,700	\$	\$ 56,136
408.11	Property Taxes	23,646	25,099		48,745
408.12	Payroll Taxes	11,656	11,657		23,313
408.13	Other Taxes & Licenses	299	299		598
409.10	Federal Income Taxes				
409.11	State Income Taxes				
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2)				
	Total Taxes Accrued	\$ 59,037	\$ 69,755	\$	\$ 128,792
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees	\$ 23,443	\$ 29,625	\$	\$ 53,068
408.11	Property Taxes	43,673	45,126		88,799
408.12	Payroll Taxes	11,656	11,657		23,313
408.13	Other Taxes & Licenses	299	299		598
409.10	Federal Income Taxes				
409.11	State Income Taxes				
	Taxes Applicable to other Income (Accts. 408.2, 409.2, 409.3, 410.2)				
	Total Taxes Paid	\$ 79,071	\$ 86,707	\$	\$ 165,778
	Balance End of Year	\$ 24,993	\$ 28,075	\$	\$ 53,068

UTILITY NAME: **Ferncrest Utilities, Inc.**

YEAR OF REPORT
December 31, 1996

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	DURING YEAR		INTEREST ACCRUED INTEREST PAID DURING (e)	BALANCE END OF YEAR OF YEAR (f)
		DEBIT (c)	ACCT. AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt:					
HMF Distributee	\$ 43,508		\$ 4,333	\$	\$ 47,841
Blanche Forman Estate	95,001		6,552		101,553
Land Trust Distributee	47,959		3,240		51,199
Charles Forman	31,238		5,520		36,758
Total Account No. 237.1	\$ 217,706		\$ 19,645	\$	\$ 237,351
ACCOUNT NO. 237.2 - Accrued Interest on Other L.					
Customer Deposits	\$ 2,500		\$ 0	\$	\$ 2,500
Canco Enterprises	180,174		122,575		302,749
M. Austin Forman	109,848		30,195	15,226	124,817
Silver Oaks	36,581		7,595	10,000	34,176
Everglades Lakes	11,060		1,757		12,817
C. & H. Forman	54,811		13,117		67,928
H. Forman	14,512		3,762	18,274	
Total Account No. 237.2	\$ 409,486		\$ 179,001	\$ 43,500	\$ 544,987
Total Account No. 237	\$ 627,192		\$ 198,646	\$ 43,500	\$ 782,338

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO 186.1 (c)	CHARGED OFF DURING YEAR ACCOUNT NO.	
			ACCT. (d)	AMOUNT (e)
940765-WS	\$ 31,332	\$ 0		\$ 0
Total	\$ 31,332	\$ 0		\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Accrued Lake Lease (24130-00)	\$ 423,978
Total Miscellaneous Current and Accrued Liabilities _____	\$ 423,978

ADVANCES FOR CONSTRUCTION (ACCT. 252)

NAME OF PAYOR (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS AMOUNT (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	ACCT. (d)		
	\$ 0		\$ 0	\$ 0	\$
Total _____	\$ 0		\$ 0	\$ 0	\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW THAN SYSTEM REPORTING (d)	OTHER TOTAL (e)
Balance first of year	\$ 507,718	\$ 1,004,959	\$	\$ 1,512,677
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A")	\$	\$	\$	\$
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B")	\$	\$	\$	\$
Total Credits	\$	\$	\$	\$
Less debit charged during the year (All debits charged during the year must be explained below)	\$	\$	\$	\$
Total Contribution In Aid of Construction	\$ 507,718	\$ 1,004,959	\$	\$ 1,512,677

Explain all debits charged to Account 271 below:

UTILITY NAME: Ferncrest Utilities, Inc.

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

DESCRIPTION OF CHARGES (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER (c)	WATER CONNECTION (d)	WASTEWATER (e)
	0	\$ 0	\$ 0	\$ 0
Total Credits _____			\$ 0	\$ 0

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	W & WW THAN SYSTEM REPORTING (d)	OTHER TOTAL (e)
Balance first of year	\$ 288,636	\$ 657,466		\$ 946,102
Debits during year:				
Accruals charged to:				
Account 272 _____	\$ 18,983	\$ 39,726		\$ 58,709
Other debits (specify):				
Total debits _____	\$ 18,983	\$ 39,726		\$ 58,709
Credits during year:				
Total Credits _____				
Balance end of year _____	\$ 307,619	\$ 697,192		\$ 1,004,811

UTILITY NAME:

Ferncrest Utilities, Inc.

<p>YEAR OF REPORT December 31, 1998</p>
--

SCHEDULE "B"
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	"CASH" OR (b)	INDICATE WATER "PROPERTY" (c)	WASTEWATER (d)
		\$ 0	\$ 0
Total Credits -----		\$ 0	\$ 0

UTILITY NAME: Ferncrest Utilities, Inc.

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

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year _____		\$ (513,865)
Reconciling items for the year:		
Taxable income not reported on books:		

Deductions recorded on books not deducted for return:		
<u>Book depreciation in excess of tax depreciation.</u>		(13,749)

Income recorded on books not included in return:		

Deduction on return not charged against book income:		

Federal tax net income _____		\$ (500,116)
Computation of tax :		

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

YEAR OF REPORT
December 31, 1998

UTILITY NAME: Ferncrest Utilities, Inc.

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

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

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

APPROVED AFUDC RATE

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

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

YEAR OF REPORT
December 31, 1998

UTILITY NAME: Ferncrest Utilities, Inc.

SCHEDULE "B"
SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL	PER BOOK BALANCE	NON-UTILITY ADJUSTMENTS	NON-JURIS. ADJUSTMENTS	OTHER (1) ADJUSTMENTS	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION
(a)	(b)	(c)	(d)	(e)	(f)
Common Equity	\$ _____	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Preferred Stock	_____	_____	_____	_____	_____
Long Term Debt	_____	_____	_____	_____	_____
Customer Deposits	_____	_____	_____	_____	_____
Tax Credits - Zero Cost	_____	_____	_____	_____	_____
Tax Credits - (Weighted COC)	_____	_____	_____	_____	_____
Deferred Inc. Taxes	_____	_____	_____	_____	_____
Other (Explain)	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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

**WATER OPERATION
SECTION**

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

WATER UTILITY PLANT ACCOUNTS

NO.	ACCT. ACCOUNT NAME	YEAR	PREVIOUS ADDITIONS	RETIREMENTS
(a)	(b)	(c)	(d)	(e)
301	Organization_____	\$ 1,845	\$	\$
302	Franchises_____	4,300		
303	Land and Land Rights_____	20,000		
304	Structures and Improvements_____	272,954		
305	Collecting and Impounding Reservoirs_____			
306	Lake, River and Other Intakes			
307	Wells and Springs_____	42,461		
308	Infiltration Galleries and Tunnels_____			
309	Supply Mains_____			
310	Power Generation Equipment_____	42,765		
311	Pumping Equipment_____	177,672	(1,554)	
320	Water Treatment Equipment_____	317,751	7,410	
330	Distribution Reservoirs and Standpipes_____	199,712		
331	Transmission and Distribution Mains_____	238,199		
333	Services_____	132,486		
334	Meters and Meter Installations_____	63,490		
335	Hydrants_____			
339	Other Plant and Miscellaneous Equipment_____			
340	Office Furniture and Equipment_____	32,786	3,474	
341	Transportation Equipment_____	25,680		
342	Stores Equipment_____			
343	Tools, Shop and Garage Equip._____			
344	Laboratory Equipment_____	18,847		
345	Power Operated Equipment_____	18,071	776	
346	Communication Equipment_____			
347	Miscellaneous Equipment_____	21,000		
348	Other Tangible Plant_____	16,025	9,807	
	Total Water Plant_____	\$ 1646044	\$ 19913	\$

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.
 * Reclassified to Sewer Pumping Equipment Account 371

W-1(a)

WATER UTILITY PLANT MATRIX

CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. SOURCE OF SUPPLY AND PUMPING PLANT (h)	3. WATER TREATMENT PLANT (i)	4. TRANSMISSION AND DISTRIBUTION PLANT (j)	5. GENERAL PLANT (k)
\$ 1,845	\$ 1,845	\$	\$	\$	\$
4,300	4,300				
20,000			20,000		
272,954			218,160		54,794
42,461		42,461			
42,765		42,765			
176,118		176,118			
325,161			325,161		
				199,712	
199,712					
				238,199	
238,199				132,486	
132,486				63,490	
63,490					
36,260					36,260
25,680					25,680
18,847					18,847
18,847					18,847
21,000					21,000
25,832					25,832
\$ 1,665,957	\$ 6,145	\$ 261,344	\$ 563,321	\$ 633,887	\$ 201,260

W-1(b)

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1.	2.
			SOURCE OF SUPPLY AND EXPENSES - OPERATIONS	SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE
(a)	(b)	(c)	(d)	(e)
601	Salaries and Wages - Employees	\$ 122,167	\$	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders	32,903		
604	Employee Pensions and Benefits	11,477		
610	Purchased Water	5,034	5,034	
615	Purchased Power	33,007		
616	Fuel for Power Purchased			
618	Chemicals	26,675		
620	Materials and Supplies	85,344	257	2,902
631	Contractual Services-Engineering			
632	Contractual Services - Accounting	18,277		
633	Contractual Services - Legal	333		
634	Contractual Services - Mgt. Fees			
635	Contractual Services - Other	19,016		
641	Rental of Building/Real Property			
642	Rental of Equipment	170		
650	Transportation Expenses	5,568		
656	Insurance - Vehicle	0		
657	Insurance - General Liability	6,693		
658	Insurance - Workman's Comp.	5,712		
659	Insurance - Other	11		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	15,666		
667	Regulatory Commission Expenses -Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses	11,685		
	Total Water Utility Expenses	\$ 399,738	\$ 5,291	\$ 2,902

W-2(a)

WATER EXPENSE ACCOUNT MATRIX

3. WATER TREATMENT EXPENSES - OPERATIONS (f)	4. WATER TREATMENT EXPENSES - MAINTENANCE (g)	5. TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	6. & DISTRIBUTION EXPENSES - MAINTENANCE (i)	7. TRANSMISSION CUSTOMER ACCOUNTS EXPENSE (j)	8. ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 95,786	\$ _____	\$ _____	\$ _____	\$ 26,381	\$ _____
2,869	_____	_____	_____	2,869	32,903
33,007	_____	_____	_____	_____	5,739
26,675	_____	_____	_____	_____	_____
2,048	25,347	_____	19,970	_____	34,820
_____	_____	_____	_____	_____	18,277
_____	_____	_____	_____	_____	333
13,825	_____	_____	_____	_____	5,191
_____	_____	_____	_____	_____	170
_____	_____	_____	_____	_____	5,568
_____	_____	_____	_____	_____	0
_____	_____	_____	_____	_____	6,693
_____	_____	_____	_____	_____	5,712
_____	_____	_____	_____	_____	11
_____	_____	_____	_____	_____	15,666
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	11,685
\$ 174,210	\$ 25,347	\$ _____	\$ 19,970	\$ 29,250	\$ 142,768

W-2(b)

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
--

WATER OPERATING REVENUE

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END	
			NUMBER OF CUSTOMERS	AMOUNT
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
460	Unmetered Water Revenue			\$
	Metered Water Revenue:			
461.1	Sales to Residential Customers	1,470	1,485	340,108
461.2	Sales to Commercial Customers	79	69	155,848
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities	1	1	
461.5	Sales Multiple Family Dwellings			
	Total Metered Sales	1,550	1,555	\$ 495,956
	Fire Protection Revenue:			
462.1	Public Fire Protection			
462.2	Private Fire Protection			
	Total Fire Protection Revenue			\$
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Totals	1,550	1,555	\$ 495,956
	Other Water Revenues:			
469	Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			18,894
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 18,894
	Total Water Operating Revenues			\$ 514,850

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

BASIS FOR WATER DEPRECIATION CHARGES

NO. (a)	ACCT. ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	28 , 33 , 40	0	3.57 , 3.03 , 2.50%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	27 , 30	0	3.70 , 3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment	17 , 20	0	5.88 , 5.00%
311	Pumping Equipment	15 , 20	0	6.67 , 5.00%
320	Water Treatment Equipment	17 , 22	0	5.88 , 4.55%
330	Distribution Reservoirs and Standpipes	33 , 37	0	3.03 , 2.70%
331	Transmission and Distribution Mains	38 , 43	0	2.63 , 2.33%
333	Services	35 , 40	0	2.86 , 2.50%
334	Meters and Meter Installations			
335	Hydrants	17 , 20	0	5.88 , 5.00%
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equip.	15	0	6.67%
341	Transportation Equipment	6	0	16.67%
342	Stores Equipment			
343	Office Furniture and Equip.			
344	Laboratory Equipment	15	0	6.67%
345	Power Operated Equipment	10 , 12	0	10.00 , 8.33%
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	10	0	10.00%
	Water Plant Composite Depreciation Rate *			

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

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

NO.	ACCT. ACCOUNT NAME	BALANCE		OTHER CREDITS *	TOTAL CREDITS (d + e)
		AT BEGINNING	ACCURALS OF YEAR		
(a)	(b)	(c)	(d)	(e)	(f)
304	Structures and Improvements	\$ 157,441	\$ 12,553	\$	\$ 12,553
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	23,223	1,415		1,415
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	20,981	2,138		2,138
311	Pumping Equipment	28,314	8,806		8,806
320	Water Treatment Equipment	119,890	14,475		14,475
330	Distribution Reservoirs and Standpipes	24,504	5,398		5,398
331	Transmission and Distribution Mains	127,091	5,540		5,540
333	Services	81,889	3,312		3,312
334	Meters and Meter Installations	41,200	3,175		3,175
335	Hydrants				
339	Other Plant and Miscellaneous Equipment				
340	Office Furniture and Equipment	14,705	2,019		2,019
341	Transportation Equipment	24,897	174		174
342	Stores Equipment				
343	Tools, Shop and Garage Equip.				
344	Laboratory Equipment	12,448	1,256		1,256
345	Power Operated Equipment	7,606	1,153		1,153
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	21,000			
	\$213,810 of assets prior to 1984 properly classified.				
	Total Depreciable Water Plant In Service	\$ 705,189	\$ 61,414	\$	\$ 61,414

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

* Transfer pumping equipment reserve to sewer pumping equipment - Account 371

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

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	ASSOCIATED OTHER CHARGES (j)	TOTAL CHARGES (g+h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 169,994
_____	_____	_____	_____	_____	24,638
_____	_____	_____	_____	_____	23,119
_____	_____	_____	_____	_____	37,062
_____	_____	_____	_____	_____	134,365
_____	_____	_____	_____	_____	29,902
_____	_____	_____	_____	_____	132,631
_____	_____	_____	_____	_____	85,201
_____	_____	_____	_____	_____	44,375
_____	_____	_____	_____	_____	16,724
_____	_____	_____	_____	_____	25,071
_____	_____	_____	_____	_____	13,704
_____	_____	_____	_____	_____	8,759
_____	_____	_____	_____	_____	21,000
\$ _____	\$ _____	\$ _____	\$ _____ 58	\$ _____	\$ 766,545

UTILITY NAME:
UTILITY SYSTEM

Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

PUMPING AND PURCHASED WATER STATISTICS

MONTH	WATER PURCHASED FOR RESALE (Omit 000's)	FINISHED WATER PUMPED FROM WELLS (Omit 000's)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES ETC.	TOTAL PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)]	WATER SOLD TO CUSTOMERS (Omit 000's)
(a)	(b)	(c)	(d)	(e)	(f)
January	0	17,648	8,366	9,282	10,061
February	0	16,770	7,605	9,165	9,359
March	0	18,820	7,969	10,851	10,229
April	565	16,954	5,352	12,167	10,229
May	3,714	15,484	7,970	11,228	10,215
June	0	17,662	7,249	10,413	9,425
July	0	17,199	7,125	10,074	10,264
August	0	17,340	7,740	9,600	9,574
September	0	17,234	7,560	9,674	10,460
October	0	17,912	6,748	11,164	9,545
November	0	17,571	7,180	10,391	9,451
December	0	17,462	7,050	10,412	10,325
Total for year	4279	208056	87914	124421	119137

If water is purchased for resale, indicate the following:

Vendor: _____

Point of delivery _____

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

UTILITY NAME: Ferncrest Utilities, Inc.
 UTILITY SYSTEM:

YEAR OF REPORT
 December 31, 1998

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): Catalytic Reactor
 Methods used (sedimentation, chemical, aerated, etc.): Chemical

LIME TREATMENT

Unit rating (GPM): 700 GPM Manufacturer: Permutit

FILTRATION

Type and area:

Pressure ---> Square Feet: _____

Gravity ---> GPM/Square Feet: 2.5

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR	ADDITIONS (in feet)	RETIREMENTS	MAINS END OF YEAR (in feet)
CA or PVC	6.00	36735.00		1000.00	35735.00
PVC	2.00	37695.00			37695.00
CA or PVC	4.00	9555.00			9555.00
PVC	1.50	4000.00			4000.00
PVC	2.50	1260.00			1260.00
CI	6.00	1400.00			1400.00
PVC	8.00	3300.00	1000.00		4300.00
Total feet of mains	30.00	93945.00	1000.00	1000.00	93945.00

SERVICES AND METERS

METERS IN SERVICE	BEGINNING	METERS ADDITIONS	RETIREMENTS	METERS END OF YEAR
			OF YEAR	
5/8" - 3/4"	1,542	85		1,627
1"	13		2	11
2"	13	2		15
3"	6	5		11
4"				
6"				
8"				
Other (Specify): 1 1/2"	6	1		7
Total meters in service	1,580	93	2	1,671
Total meters in stock	18			18
Number of services in use	1,574	6		1,580

UTILITY NAME: Ferncrest Utilities, Inc.
UTILITY SYSTEM: NONA

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1971	1982		
Types of Well Construction and Casing _____	Black Iron Open Hole Cased	Black Iron Open Hole Cased		
Depth of Wells _____	89'	105'		
Diameters of Wells _____	8"	8"		
Pump - GPM _____	750	750		
Motor - HP _____	30	20		
Yeilds of Wells in GPD _____	864,000	720,000		
Auxiliary Power _____	Generator	Generator		

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic) _____	Concrete	Pneumatic	Glass on Steel	
Capacity of Tank _____	100,000	5,000	240,000	
Ground or Elevated _____	Ground	Ground	Ground	

HIGH SERVICE PUMPING

(a)	(b)	MOTORS		
		(c)	(d)	(e)
Manufacturer _____	G.E	Toshiba	US	US
Type _____	Electric	Electric	Electric	Electric
Rated Horsepower _____	25	25	50	50
PUMPS				
Manufacturer _____	Crane Deming	Crane Deming	Split Case	Split Case
Type _____	Split Case	Split Case	2,000	2,000
Capacity in GPM _____	450	450		
Average Number of Hours Operated Per Day _____	12	12	0.08	0.08
Auxiliary Power _____	Generator	Generator	Generator	Generator

UTILITY NAME: Ferncrest Utilities, Inc.
UTILITY SYSTEM: NOVA

SOURCE OF SUPPLY

List for each source of supply:				
Gallons per day of source _____	<u>1,000,000</u>	_____	_____	_____
Type of source _____	<u>Wells</u>	_____	_____	_____

WATER TREATMENT FACILITIES

List for each water treatment facility:				
Type _____	<u>Catalytic Reator</u>	_____	_____	_____
Make _____	<u>Permutit</u>	_____	_____	_____
Gallons per day Capacity _____	<u>1,000,000</u>	_____	_____	_____
Method of measurement _____	<u>Raw Water Meter</u>	_____	_____	_____

OTHER WATER SYSTEM INFORMATION

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

- Present ERC's * the system can efficiently serve. 2,857
- Estimated annual increase in ERC's * . 0
- List fire fighting facilities and capacities. 36 - 6" Eddy Hydrants
- List percent of certificated areas where service connections are installed (total for each county).
95%
- What is the current need for system upgrading and/or expansion? None
- What are plans for future system upgrading and/or expansion? None
- Have questions 5 and 6 been discussed with an engineer? (if so, state name and address)
- Have questions 5 and 6 been discussed with the appropriate state sanitary engineering office?

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

UTILITY NAME:
SYSTEM NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	1,627	1,627
3/4"	Displacement	1.5		
1"	Displacement	2.5	11	28
1 1/2"	Displacement or Turbine	5.0	7	35
2"	Displacement, Compound or Turbine	8.0	15	120
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5	11	193
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				2,003

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{119,137,000}{\text{(total gallons sold)}} \div 365 \text{ days} \right) \div 350 \text{ gpd} = 933$$

**WASTEWATER OPERATION
SECTION**

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

WASTEWATER UTILITY PLANT ACCOUNTS

NO.	ACCT. ACCOUNT NAME	YEAR	PREVIOUS	
			ADDITIONS	RETIR
(a)	(b)	(c)	(d)	(e)
351	Organization_____	\$ _____	\$ _____	\$ _____
352	Franchise_____	_____	_____	_____
353	Land and Land Rights_____	60,000	_____	_____
354	Structures and Improvements_____	383,351	_____	_____
360	Collection Sewers - Force_____	_____	_____	_____
361	Collection Sewers - Gravity_____	612,097	_____	_____
362	Special Collecting Structures_____	_____	_____	_____
363	Services to Customers_____	181,273	_____	_____
364	Flow Measuring Devices_____	_____	_____	_____
365	Flow Measuring Installations_____	_____	_____	_____
370	Receiving Wells_____	_____	_____	_____
371	Pumping Equipment_____	355,560	1,554	_____
380	Treatment and Disposal Equip.____	340,767	_____	_____
381	Plant Sewers_____	_____	_____	_____
382	Outfall Sewer Lines_____	_____	_____	_____
389	Other Plant and Miscellaneous Equipment_____	11,845	_____	_____
390	Office Furniture and Equipment____	24,288	2,411	_____
391	Transportation Equipment_____	25,080	_____	_____
392	Stores Equipment_____	_____	_____	_____
393	Tools, Shop and Garage Equip.____	27,502	776	_____
394	Laboratory Equipment_____	22,463	607	_____
395	Power Operated Equipment_____	_____	_____	_____
396	Communication Equipment_____	_____	_____	_____
397	Miscellaneous Equipment_____	_____	_____	_____
398	Other Tangible Plant_____	21,000	_____	_____
	Total Wastewater Plant	\$ 2,065,226	\$ 5,348	\$ _____

NOTE: Any adjustments made to reclassify 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 AND DISPOSAL (j)	5. GENERAL PLANT (k)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
60,000		60,000	195,440	157,972	29,939
383,351					
612,097		612,097			
181,273		181,273			
357,114			357,114	340,767	
340,767					
11,845				11,845	26,699
26,699					25,080
25,080					
28,278					28,278
23,070					23,070
21,000					21,000
\$ 2,070,574	\$ _____	\$ 853,370	\$ 552,554	\$ 510,584	\$ 154,066

S-1(b)

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT
December 31, 1998

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1. COLLECTION EXPENSES- OPERATIONS	2. COLLECTION EXPENSES- MAINTENANCE
(a)	(b)	(c)	(d)	(e)
701	Salaries and Wages - Employees	\$ 122,168	\$	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders	32,903		
704	Employee Pensions and Benefits	10,598		
710	Purchased Sewage Treatment			
711	Sludge Removal Expense	44,560		
715	Purchased Power	39,919		
716	Fuel for Power Purchased			
718	Chemicals	7,547		
720	Materials and Supplies	63,035	946	
731	Contractual Services-Engineering	1,690		
732	Contractual Services - Accounting	18,056		
733	Contractual Services - Legal	333		
734	Contractual Services - Mgt. Fees			
735	Contractual Services - Other	33,082		
741	Rental of Building/Real Property	32,413		
742	Rental of Equipment	3,732		
750	Transportation Expenses	5,517		
756	Insurance - Vehicle			
757	Insurance - General Liability	6,693		
758	Insurance - Workman's Comp.	5,712		
759	Insurance - Other	11		
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	15,666		
767	Regulatory Commission Expenses -Other			
770	Bad Debt Expense			
775	Miscellaneous Expenses	14,065		
	Total Wastewater Utility Expenses	\$ 457,700	\$ 946	\$

WASTEWATER EXPENSE ACCOUNT MATRIX

3. PUMPING EXPENSES - OPERATIONS (f)	4. PUMPING EXPENSES - MAINTENANCE (g)	5. TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	6. DISPOSAL EXPENSES - MAINTENANCE (i)	7. TREATMENT & CUSTOMER ACCOUNTS EXPENSE (j)	8. ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ _____	\$ _____	\$ 95,787	\$ _____	\$ 26,381	\$ _____
					32,903
		10,598			
		44,560			
7,553		32,366			
		7,547			
	11,977	315	22,440		27,357
					1,690
					18,056
					333
					33,082
		32,413			3,732
					5,517
					6,693
					5,712
					11
					15,666
					14,065
\$ 7,553	\$ 11,977	\$ 223,586	\$ 22,440	\$ 26,381	\$ 164,817

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

WASTEWATER OPERATING REVENUE

NO.	ACCT. DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	AMOUNTS
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
	Flat Rate Revenues:			
521.1	Residential Revenues			\$
521.2	Commercial Revenues			
521.3	Industrial Revenues			
521.4	Revenues From Public Auth.			
521.5	Multiple Family Dwelling Rev.			
521.6	Other Revenues			
	Total Flat Rate Revenues			\$
	Measured Revenues:			
522.1	Residential Revenues	1,470	1,485	422,944
522.2	Commercial Revenues	21	31	189,456
522.3	Industrial Revenues			
522.4	Rev. From Public Authorities			
522.5	Multiple Family Dwelling Rev.			
	Total Measured Revenues	1,491	1,516	\$ 612,400
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Totals	1,491	1,516	\$ 612,400
	Other Wastewater Revenues:			
530	Guaranteed Revenues			\$
531	Sale of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues			18,868
	Total Other Wastewater Revenues			\$ 18,868
	Total Wastewater Operating Revenues			\$ 631,268

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT.	ACCOUNT NAME NO.	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE IN PERCENT	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C
(a)	(b)	(c)	(d)	(e)
354	Structures and Improvements	22,27,35	0.00%	4.55 , 3.70 , 2.86
360	Collection Sewers - Force			
361	Collection Sewers - Gravity	40	0.00%	2.50
362	Special Collection Structures			
363	Services to Customers	35,38	0.00%	2.86 , 2.63
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
371	Pumping Equipment	15,18	0.00%	6.67 , 5.56
380	Treatment and disposal Equip.	15,18	0.00%	6.67 , 5.56
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	15,18	0.00%	6.67 , 5.56
390	Office Furniture and Equipment	15.00	0.00%	6.67
391	Transportation Equipment	6	0.00%	16.67
392	Stores Equipment			
393	Tools, Shop and Garage Equip.	15	0.00%	6.67
394	Laboratory Equipment	15	0.00%	6.67
395	Power Operated Equipment	15	0.00%	6.67
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible plant	10	0.00%	10.00
	Wastewater Plant Composite Depreciation Rate *			

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

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

NO.	ACCT. ACCOUNT NAME	BALANCE		OTHER CREDITS *	TOTAL CREDITS (d + e)
		AT BEGINNING	ACCRUALS OF YEAR		
(a)	(b)	(c)	(d)	(e)	(f)
354	Structures and Improvements	\$ 135,131	\$ 14,940	\$	\$ 14,940
360	Collection Sewers Force				13,602
361	Collection Sewers - Gravity	284,453	13,602		13,602
362	Special Collecting Structures				4,771
363	Services to Customers	93,983	4,771		4,771
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment	271,270	19,839	58 *	19,897
380	Treatment and Disposal Equip.	131,825	18,931		18,931
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous Equipment	8,280	658		658
390	Office Furniture and Equipment	12,683	1,543		1,543
391	Transportation Equipment	20,327	2,152		2,152
392	Stores Equipment				1,657
393	Tools, Shop and Garage Equip.	12,937	1,657		1,657
394	Laboratory Equipment				1,538
395	Power Operated Equipment	13,253	1,538		1,538
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant	21,000			
	*Assets Prior to 1984 was allocated				
	Total Wastewater Accumulated Depreciation	\$ 1,005,142	\$ 79,631	\$ 58	\$ 79,689

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

* transfer from pumping equipment reserve to sewer pumping equipment

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

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	ASSOCIATED OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 150,071
_____	_____	_____	_____	_____	298,055
_____	_____	_____	_____	_____	98,754
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	291,167
_____	_____	_____	_____	_____	150,756
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	8,938
_____	_____	_____	_____	_____	14,226
_____	_____	_____	_____	_____	22,479
_____	_____	_____	_____	_____	14,594
_____	_____	_____	_____	_____	14,791
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	21,000
_____	_____	_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 1,084,831

UTILITY NAME: Ferncrest Utilities, Inc.
 UTILITY SYSTEM: _____

YEAR OF REPORT
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PUMPING EQUIPMENT

	1	2	3	4	5	
Lift station number _____						
Make or type and nameplate data of pump: _____	DAVCO 14A11B Self-Prime	DAVCO BA11B Self-Prime	DAVCO BA11B Self-Prime	DAVCO BA11B Self-Prime	S & L 4B2-D	
Year installed _____	1969	1970	1970	1972	1988	
Rated Capacity _____	175	145	145	145	100	
Size _____	4"	3"	3"	3"	4"	
Power:						
Electric _____	X	X	X	X	X	
Mechanical _____						
Nameplate data of motor: _____	25 hp G.E.	5 hp Baldor	5 hp Baldor	15 hp Lincoln	10 hp G.E.	
Lift station number _____						
Make or type and nameplate data of pump: _____						
Year installed _____						
Rated Capacity _____						
Size _____						
Power:						
Electric _____						
Mechanical _____						
Nameplate data of motor: _____						

SERVICE CONNECTIONS

Size (inches) _____	4"					
Type (PVC, VCP, etc.) _____	PVC					
Average length _____						
Number of active service connections _____	1,622					
Beginning of year _____	1,622					
Added during year _____						
Retired during year _____						
End of year _____	1,622					
Give full particulars concerning inactive connections: _____	No	Customers	at	Address		

UTILITY NAME: Ferncrest Utilities, Inc.
 UTILITY SYSTEM: _____

YEAR OF REPORT
 December 31, 1998

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	8"	6"	4"			
Type of main _____	VCP	VCP	VCP			
Length of main (nearest foot):						
Beginning of year _____	43,316	9,235	10,470			
Added during year _____						
Retired during year _____						
End of year _____	43,316	9,235	10,470			
MANHOLES:						
Size _____	60"					
Type _____	Brick					
Number:						
Beginning of year _____	164					
Added during year _____						
Retired during year _____						
End of year _____	164					

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	4"	6"	4"	4"	6"	
Type of main _____	CI	CA	PVC	CA	PVC	
Length of main (nearest foot):						
Beginning of year _____	600	8,725	3,970	1,000	2,050	
Added during year _____						
Retired during year _____						
End of year _____	600	8,725	3,970	1,000	2,050	

UTILITY NAME: Ferncrest Utilities, Inc.
UTILITY SYSTEM: NONA

TREATMENT PLANT

Manufacturer _____	DAVCO			
Type _____				
"Steel or "Concrete" _____	Steel			
Total Capacity _____	.600			
Average Daily Flow _____	.269			
Effluent Disposal _____	Surface Water Discharge			
Total Gallons of Sewage Treated _____	98,039,000			

MASTER LIFT STATION PUMPS

Manufacturer _____	N/A			
Capacity _____				
Motor: M f r _____				
Horsepower _____				
Power (Electric or Mechanical) _____				

OTHER WASTEWATER SYSTEM INFORMATION

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

1. Maximum number of ERC's* which can be served. 2,182
2. Estimated annual increase in ERC's*. 0
3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Protection (DEP) for systems in operation. FLA103583-01
4. State any plans and estimated completion dates for any enlargements of this system.
Addition of a 100 thousand gallon Digester & changing of old Digester to a Surge Tank. Completion was estimated at September 1998. This was completed in January 1999.
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 regards to meeting the DEP's rules.
 - b. Plans for funding and construction of the required upgrading.
 - c. Have these plans been coordinated with the DEP? _____
 - d. Do they concur? _____
 - e. When will construction begin? _____
6. In what percent of your certificated area have service connections been installed? 80.00%

* ERC = (Total Gallons Sold / 365 days) / 275 Gallons Per Day
Note: Total Gallons Treated includes both sewage treated and purchased sewage treatment.

UTILITY NAME:

Ferncrest Utilities, Inc.

YEAR OF REPORT December 31, 1998
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CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE*	TYPE OF METER*	EQUIVALENT FACTOR	NUMBER OF METERS	TOTAL NUMBER OF METER EQUIVALENTS (c x d)
(a)	(b)	(c)	(d)	(e)
5/8"	Displacement	1.0	1,598	1,598
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	3	15
2"	Displacement, Compound or Turbine	8.0	9	72
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5	11	193
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5	1	63
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents -----				1,941

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{153,514,600}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 275 \text{ gpd} = 1,529$$