

# CLASS "B"

## WATER and/or SEWER UTILITIES

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

# ANNUAL REPORT

OF

Forest Hills Utilities, Inc.

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Certificate Number(s)

Florida Public Service Commission  
Division of Water and Wastewater



FOR THE

YEAR ENDED DECEMBER 31, 1997

Form PSCWAS 5 (Rev. 12/22/86)

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

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April 16, 1998

Officers and Directors  
Forest Hills Utilities, Inc.

We have compiled the 1997 Annual Report of Forest Hills Utilities, Inc. in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Florida Public Service Commission, information that is the representation of the management of Forest Hills Utilities, Inc. We have not audited or reviewed the report referred to above and, accordingly, do not express an opinion or any form of assurance on it.

This report is presented in accordance with the requirements of the Florida Public Service Commission, which differ from generally accepted accounting principles. Accordingly, this report is not designed for those who are not informed about such differences.

*Cronin, Jackson, Nixon & Wilson*

CRONIN, JACKSON, NIXON & WILSON

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# **EXECUTIVE SUMMARY**

**CERTIFICATION OF ANNUAL REPORT**

<b>YEAR OF REPORT</b> December 31, 1997
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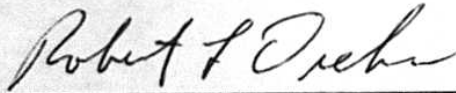
UTILITY NAME: Forest Hills Utilities, Inc.

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

- |            |           |  |
|------------|-----------|--|
| YES<br>(X) | NO<br>( ) | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.   |
| YES<br>(X) | NO<br>( ) | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.   |
| YES<br>(X) | NO<br>( ) | 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<br>(X) | NO<br>( ) | 4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified

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



\_\_\_\_\_  
(signature of the chief executive officer of the utility)

1.	2.	3.	4.
( )	( )	( )	( )

N/A

\_\_\_\_\_  
(signature of the chief financial officer of the utility)

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

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

ANNUAL REPORT OF

Forest Hills Utilities, Inc.

(Exact Name of Utility)

County: Pasco

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

1518 U.S. Highway 19  
Holiday, Florida 34691

Telephone: (813) 937-7457

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

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

Telephone: (813) 791-4020

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

1518 U.S. Highway 19  
Holiday, Florida 34691

Telephone: (813) 937-7457

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

None

Date of original organization of the utility:

2 / 16 / 67

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.	Robert L. Dreher	100	%
2.			%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

**YEAR OF REPORT**  
December 31, 1997

UTILITY NAME: Forest Hills Utilities, Inc.

**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
Robert L. Dreher	President	Forest Hills Utilities, Inc.	Rate and utility matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon and Wilson, CPA's	Rate and accounting 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: Forest Hills 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.**

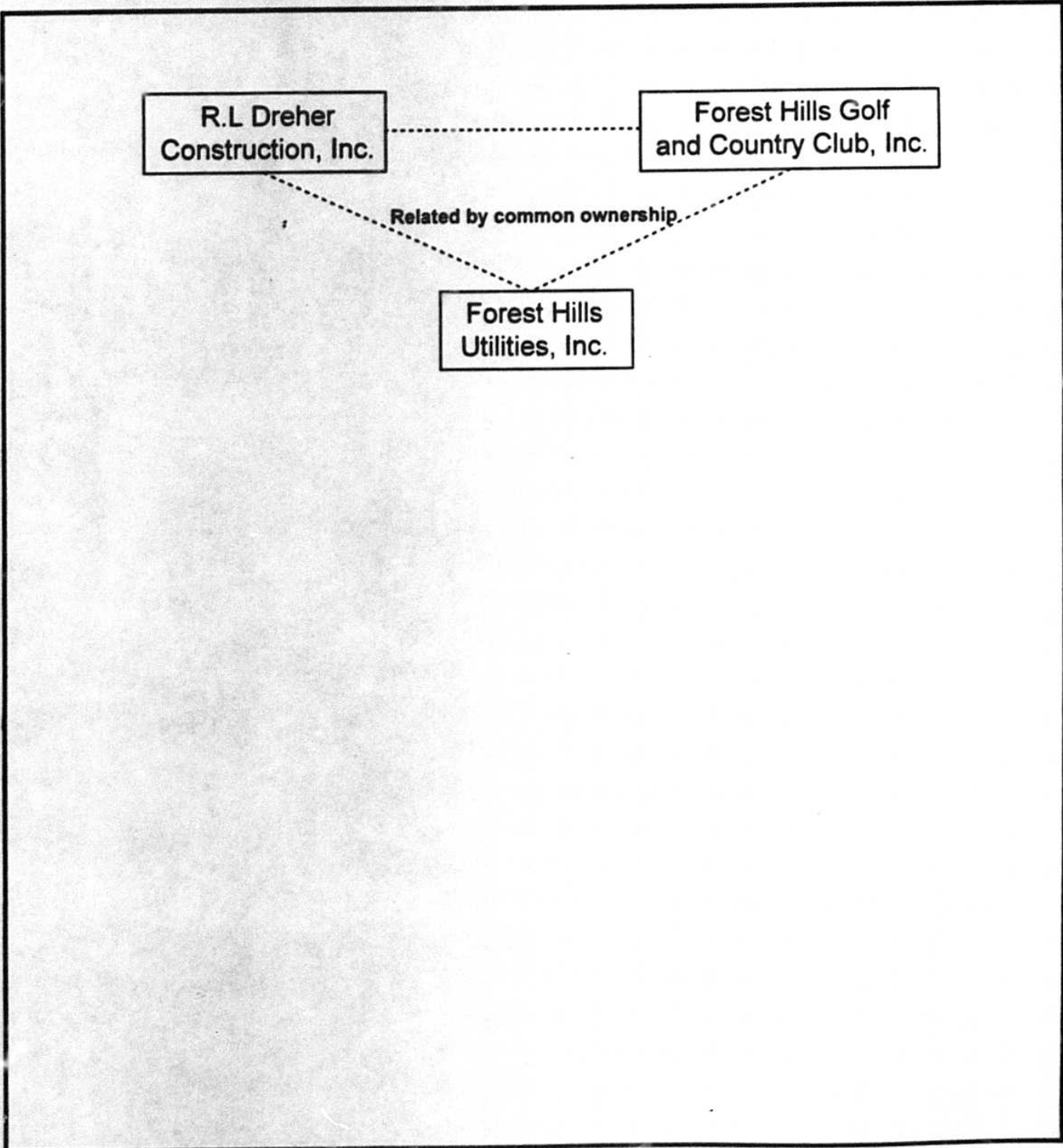
- A. The Company began operations on February 16, 1967 to serve the Forest Hills development in Holiday, Pasco County, Florida.
- B. The Company provides water and sewer utility service as well as street lighting and trash removal services.
- C. To provide adequate water and sewer service to its customers and a fair rate of return to its owners.
- D. Water, sewer, streetlights and garbage removal.
- E. Approximately 5 customers a year.
- F. Construction of a force main to the Pasco County Sewer system is completed, and the Utility is now purchasing sewer treatment from Pasco County. Adjustments to retire the Utility's existing sewer treatment facilities have been implemented in accordance with Order No. PSC-97-1458-FOF-SU



UTILITY NAME: Forest Hills Utilities, Inc.

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

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



UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> 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)
Robert L. Dreher	President	75 %	\$ 55,000
Diane Dreher	Vice President	0 %	\$ None
			% \$
			% \$
			% \$
			% \$
			% \$
			% \$
			% \$
			% \$

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Robert L. Dreher	President	1	\$ None
Diane Dreher	Vice President	1	\$ None
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Forest Hills Utilities, Inc.

**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.

1 UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1997
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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 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.

<b>NAME</b> <b>(a)</b>	<b>PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION</b> <b>(b)</b>	<b>AFFILIATION OR CONNECTION</b> <b>(c)</b>	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION</b> <b>(d)</b>
Robert L. Dreher	Developer	President	R.L. Dreher Construction, Inc 1518 U.S. Highway 19 Holiday, Florida
	Owner	President	Forest Hills Golf and Country Club, Inc. 1518 U.S. Highway 19 Holiday, Florida

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

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

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
None	\$		\$		\$	

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1997
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**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

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

1. Enter in this part all transactions involving services and products received or provided.
2. Below are some types of transactions to include:
  - management, legal and accounting services
  - material and supplies furnished
  - computer services
  - leasing of structures, land and 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)
R.L. Dreher Construction, Inc.	Land, Building and Equipment rent and Management	Open	P	100,500
Robert L. Dreher	Office & Equipment rent	Open	P	14,400

**BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)**

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

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

2. Below are examples of some types of transactions to include:

- purchase, sale or transfer of equipment.
- purchase, sale or transfer of land and structures.
- purchase, sale or transfer of securities.
- noncash transfers of assets.
- noncash dividends other than stock dividends.
- writeoff of bad debts or loans.

3. The columnar instructions follow:

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

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

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

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

DESCRIPTION (a)	WATER (b)	SEWER (c)
<b>PLANT (Intrastate Only)(000's Omitted):</b>		
Plant in Service _____	\$ 718	\$ 656
Construction Work In Progress _____		
Plant Acquisition Adjustment _____		1
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	420	234
Contributions In Aid Of Construction (Net) _____	130	137
Net Book Cost _____	\$ 168	\$ 286
<b>REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):</b>		
Operating Revenues _____	\$ 504	\$ 356
Depreciation and Amortization Expense _____	\$ 19	
Income Tax Expense _____		
Taxes Other Than Income _____	33	29
Other Operating Expenses _____	438	328
Total Operating Expenses _____	\$ 490	\$ 357
Net Operating Income _____	\$ 14	\$ (1)
Other Income _____	\$ 101	\$ 101
Other Income Deductions _____	104	104
Net Income _____	\$ 11	\$ (4)
<b>CUSTOMERS (Intrastate Only):</b>		
Residential - Yearly Average _____	2,102	1,014
Commercial - Yearly Average _____	91	69
Industrial - Yearly Average _____		
Others - Yearly Average _____	44	29
Total _____	2,237	1,112
<b>OTHER STATISTICS (Intrastate Only):</b>		
Average Annual Residential Use Per 1,000 Gallons (1) _____	66.03	68.36
Average Annual Residential Cost Per 1,000 Gallons (1) _____	\$ 3.32	\$ 4.70
Average Residential Monthly Bill _____	\$ 15.63	\$ 22.85
Gross Plant Investment Per Customer _____	\$ 321	\$ 590

Note (1): Averages for all customers, information not available for residential only customers.



**FINANCIAL**

**SECTION**

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>UTILITY PLANT</b>				
101-105	Utility Plant _____	F-5	\$ 1,374,021	\$ 1,488,863
108-110	Less: Accumulated Depreciation and Amortization _____	F-6	(654,681)	(669,697)
	Net Plant _____		719,340	819,166
114-115	Utility Plant Acquisition Adjustments (Net) _____	F-5		
	Other Plant Adjustments (specify) _____			
	Total Net Utility Plant _____		719,340	819,166
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property _____	F-7		
122	Less: Accumulated Depreciation and Amortization _____			
	Net Nonutility Property _____			
123	Investment in Associated Companies _____	F-8		
124	Utility Investments _____	F-8		
125	Other Investments _____	F-8		
127	Special Funds _____	F-8		
	Total Other Property and Investments _____			
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash _____		178,417	51,163
132	Special Deposits _____	F-7	24,022	
134	Working Funds _____			
135	Temporary Cash Investments _____			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts _____	F-9	180,701	215,363
145	Accounts Receivable from Associated Companies _____	F-10		
146	Notes Receivable from Associated Companies _____	F-10		
151	Materials and Supplies _____			
162	Prepayments _____	F-11		
171	Accrued Interest and Dividends Receivable _____			
174	Misc. Current and Accrued Assets _____			
	Total Current and Accrued Assets _____		383,140	266,526

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	<b>DEFERRED DEBITS</b>			
181	Unamortized Debt Discount & Expense _____	F-12	_____	_____
182	Extraordinary Property Losses _____	F-12	_____	_____
186	Misc. Deferred Debits _____	F-11	27,394	10,090
190	Accumulated Deferred Income Taxes _____		_____	_____
	Total Deferred Debits _____		27,394	10,090
	<b>TOTAL ASSETS AND OTHER DEBITS</b> _____		\$ 1,129,874	\$ 1,095,782

**NOTES TO THE BALANCE SHEET**

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

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued _____	F-14	\$ 500	\$ 500
204	Preferred Stock Issued _____	F-14		
211	Other Paid-in Capital _____		170,835	170,835
212	Discount on Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings _____	F-15	141,084	134,295
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital _____		312,419	305,630
<b>LONG TERM DEBT</b>				
221	Bonds _____	F-16		
223	Advances from Associated Companies _____	F-16		
224	Other Long Term Debt _____	F-14	30,000	30,000
	Total Long Term Debt _____		30,000	30,000
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable _____		74,643	71,988
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13	354,073	200,776
234	Notes Payable to Associated Co. _____	F-13		
235	Customer Deposits _ (Water Utility) _____		15,790	95,092
236	Accrued Taxes _____	F-17	45,202	37,966
237	Accrued Interest _____	F-18		
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19	31,000	
	Total Current and Accrued Liabilities _____		520,708	405,822

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt _____	F-12	\$ _____	\$ _____
252	Advances for Construction _____	F-19	_____	_____
253	Other Deferred Credits _____		_____	_____
255	Accumulated Deferred Investment Tax Credits _____		_____	_____
	Total Deferred Credits _____		_____	_____
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve _____		_____	_____
262	Injuries and Damages Reserve _____		_____	_____
263	Pensions and Benefits Reserve _____		_____	_____
265	Miscellaneous Operating Reserves _____		_____	_____
	Total Operating Reserves _____		_____	_____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction _____	F-20	543,022	664,695
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(276,275)	(310,365)
	Total Net C.I.A.C. _____		266,747	354,330
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		_____	_____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____		_____	_____
283	Accumulated Deferred Income Taxes - Other _____		_____	_____
	Total Accum. Deferred Income Taxes _____		_____	_____
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b> _____		<b>\$ 1,129,874</b>	<b>\$ 1,095,782</b>

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**COMPARATIVE OPERATING INCOME**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues _____	\$ 735,384	F-3(b)	\$ 860,625
401	Operating Expenses _____	637,740	F-3(b)	766,082
403	Depreciation Expense _____	25,951	F-6	19,449
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	67,874	F-17	62,389
409.1	Income Taxes _____		F-17	
410.10	Deferred Federal 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 _____	731,565		847,920
	Utility Operating Income _____	3,819		12,705
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)] _____	3,819		12,705

**COMPARATIVE OPERATING INCOME**

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ 504,415	S-3	\$ 356,210	\$ N/A
W-2	438,113	S-2	327,969	
F-6	19,000	F-6	449	
F-6		F-6		
F-17	33,482	F-17	28,907	
F-17		F-17		
	490,595		357,325	
	13,820		(1,115)	
	\$ 13,820		\$ (1,115)	\$ N/A

UTILITY NAME: Forest Hills Utilities, Inc.

**COMPARATIVE OPERATING INCOME (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [From Page F-3(a)]	3,819		12,705
	<b>OTHER INCOME AND DEDUCTIONS</b>			
415	Revenues From Merchandising, Jobbing and Contract Deductions			
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income			111
420	Allowance for Funds Used During Construction			
421	Nonutility Income	200,935		201,772
426	Miscellaneous Nonutility Expenses	(155,090)		(202,297)
	Total Other Income and Deductions	45,845		(414)
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
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			
	<b>INTEREST EXPENSE</b>			
427	Interest Expense	1,601	F-18	5,502
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	1,601		5,502
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	<b>NET INCOME</b>	\$ 48,063		\$ 6,789



UTILITY NAME: Forest Hills Utilities, Inc.

**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	SEWER UTILITY (e)
101	Utility Plant In Service _____	F-5	\$ 717,811	\$ 656,210
	Less:			
	Nonused and Useful Plant (1) _____			500
108.1	Accumulated Depreciation _____	F-6	420,354	234,327
110.1	Accumulated Amortization _____	F-6		
271	Contributions in Aid of Construction _____	F-20	253,963	289,059
252	Advances for Construction _____	F-19		
	Subtotal _____		43,494	132,324
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	124,460	151,815
	Subtotal _____		167,954	284,139
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____		54,764	40,996
	Other (Specify): _____			
	_____			
	_____			
	RATE BASE _____		\$ 222,718	\$ 325,135
	UTILITY OPERATING INCOME (LOSS) _____		\$ 13,820	\$ (1,115)
	ACHIEVED RATE OF RETURN _____		6.21 %	- %

**NOTES:**

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

UTILITY NAME: Forest Hills Utilities, Inc.

**UTILITY PLANT (ACCTS. 101 - 106)**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	Plant Accounts				
101	Utility Plant In Service	\$ 717,811	\$ 655,710	\$ N/A	\$ 1,373,521
102	Utility Plant Leased to Others				
103	Property Held for Future Use		500		500
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
	Total Utility Plant	\$ 717,811	\$ 656,210	\$	\$ 1,374,021

**UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)**

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

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

UTILITY NAME: Forest Hills Utilities, Inc.

**ACCUMULATED DEPRECIATION (ACCT. 108)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year -----	\$ 395,380	\$ 274,317	\$ N/A	\$ 669,697
Credits during year:				
Accruals charged:				
to Account 108 -----	25,349	10,717		36,066
Accruals charged other accounts (specify) -----				
Salvage -----				
Other Credits (specify) -----				
-----				
Total credits -----	25,349	10,717		36,066
Debits during year:				
Book cost of plant retired -----				
Cost of removal -----				
Other debits (specify) -----				
Reversal, Order PSC-97-1458-FOF-WS -----	375	50,707		51,082
-----				
Total debits -----	375	50,707		51,082
Balance end of year -----	\$ 420,354	\$ 234,327	\$ N/A	\$ 654,681

**ACCUMULATED AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year ----- N/A	\$	\$	\$	\$
Credits during year:				
Accruals charged:				
to Account 110 -----				
Accruals charged other accounts (specify) -----				
-----				
Total credits -----				
Debits during year:				
Book cost of plant retired -----				
Other debits (specify) -----				
-----				
Total debits -----				
Balance end of year -----	\$	\$	\$	\$

UTILITY NAME: Forest Hills Utilities, Inc.

**NONUTILITY PROPERTY (ACCT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121. Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR BALANCE (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Nonutility Property _____	\$ _____	\$ _____	\$ _____	\$ N/A

**SPECIAL DEPOSITS (ACCTS. 132 - 133)**

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

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (ACCT. 132):	
Emergency rates escrow _____	\$ 24,022
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Special Deposits _____	\$ 24,022

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1997
--

**INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123 - 127)**

Report hereunder all investments and special funds carried in Accounts 123 thru 127.		
DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): N/A _____ _____ _____ _____ _____ _____ Total Investment In Associated Companies _____	\$ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____
UTILITY INVESTMENTS (ACCT. 124): N/A _____ _____ _____ _____ _____ _____ Total Utility Investments _____	\$ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____
OTHER INVESTMENTS (ACCT. 125): N/A _____ _____ _____ _____ _____ _____ Total Other Investments _____	\$ _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____
SPECIAL FUNDS (ACCTS. 126 & 127) N/A _____ _____ _____ _____ _____ _____ Total Special Funds _____	_____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____ _____

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**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)
<b>ACCOUNTS RECEIVABLE:</b>	
Customer Accounts Receivable (Acct. 141):	
Water _____	\$ 28,187
Sewer _____	55,800
Other ___ (Streetlights & Garbage) _____	93,364
Total Customer Accounts Receivable _____	177,351
<b>OTHER ACCOUNTS RECEIVABLE (Acct. 142):</b>	
Other Receivables _____	\$ 3,350
_____	
_____	
Total Other Accounts Receivable _____	3,350
<b>NOTES RECEIVABLE (Acct. 144):</b>	
_____	\$ _____
_____	
_____	
Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	180,701
<b>ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Acct. 143):</b>	
Balance First of Year _____ N/A _____	\$ _____
Add: Provision for uncollectables for current year _____	
Collections of accounts previously written off _____	
Utility accounts _____	
Others _____	
Total Additions _____	
Deduct accounts written off during year:	
Utility accounts _____	
Others _____	
Total accounts written off _____	
Balance end of year _____	
Total Accounts and Notes Receivable - Net _____	\$ 180,701



UTILITY NAME: Forest Hills Utilities, Inc.

**PREPAYMENTS (ACCT. 162)**

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____ N/A	\$ _____
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____	_____
_____	_____
Total Prepayments _____	\$ _____

**MISCELLANEOUS DEFERRED DEBITS (ACCT. 186):**

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) _____	\$ _____
Other Deferred Debits (Acct 186.2) Unamortized portion of cost of removal of sewer plant _____	27,394
Total Miscellaneous Deferred Debits _____	\$ 27,394



UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT (ACCTS. 181 AND 251)**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
<b>UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Acct. 181):</b>		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense _____	\$ NONE	\$ _____
<b>UNAMORTIZED PREMIUM ON DEBT (Acct. 251):</b>		
N/A	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt _____	\$ _____	\$ _____

**EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
<b>EXTRAORDINARY PROPERTY LOSSES (Acct. 182):</b>	
N/A	\$ _____
_____	_____
_____	_____
_____	_____
Total Extraordinary Property Losses _____	\$ _____

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1997
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**NOTES PAYABLE (ACCTS. 232 AND 234)**

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

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)**

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
R.L. Dreher Construction	\$ 270,274
Robert L. Dreher	59,795
Forest Hills Golf & Country Club	24,004
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____ :	\$ 354,073



UTILITY NAME: Forest Hills Utilities, Inc.

**STATEMENT OF RETAINED EARNINGS**

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance beginning of year _____	\$ 134,295
	Changes to account:	
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: _____	
	_____	
	Total Credits _____	
	Debits: _____	
	_____	
	Total Debits _____	
435	Balance transferred from Income _____	6,789
436	Appropriations of Retained Earnings:	
	_____	
	_____	
	Total appropriations of Retained Earnings _____	
	Dividends declared:	
437	Preferred stock dividends declared	
438	Common stock dividends declared	
	_____	
	Total Dividends Declared _____	
	Balance end of year _____	141,084
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	
	_____	
	Total Appropriated Retained Earnings _____	
	Total Retained Earnings _____	\$ 141,084

Notes to Statement of Retained Earnings:



UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**ACCRUED TAXES (ACCT. 236)**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$ 26,800	\$ 11,166	\$ N/A	\$ 37,966
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees	22,699	17,665		40,364
408.11	Property Taxes	6,098	8,103		14,201
408.12	Payroll Taxes	4,193	2,992		7,185
408.13	Other Taxes & Licenses	492	147		639
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	33,482	28,907		62,389
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees	22,699	17,665		40,364
408.11	Property Taxes	6,098	3,245		9,343
408.12	Payroll Taxes	4,807			4,807
408.13	Other Taxes & Licenses	492	147		639
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	34,096	21,057		55,153
	Balance End of Year	\$ 26,186	\$ 19,016	\$ N/A	\$ 45,202

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**ACCRUED INTEREST (ACCT. 237)**

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - ACCRUED INTEREST ON LONG TERM DEBT: Cecil Raymond	\$ _____	427	\$ 2,000	\$ 2,000	\$ 0
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
Total Account No. 237.1	_____	_____	2,000	2,000	0
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES: Customer deposits	_____	_____	2,058	2,058	_____
PSC-97-1458-FOF-WS	_____	_____	1,444	1,444	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
Total Account 237.2	_____	_____	3,502	3,502	_____
Total Account 237	\$ _____	_____	\$ 5,502	\$ 5,502	\$ 0

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

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





UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCT. 271)**

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & S OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year _____	\$ 253,963	\$ 410,732	\$ N/A	\$ 664,595
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 debits charged during the year (All debits charged during year must be explained below) _____		121,673		121,673
Total Contributions In Aid of Construction _____	\$ 253,963	\$ 289,059	\$ N/A	\$ 543,022

Explain all debits charged to Account 271 below:

Reduction in CIAC due to retirement of sewer treatment facilities per Order No. PSC-97-1458-FOF-WS

UTILITY NAME: Forest Hills Utilities, Inc.

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

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	WATER (d)	SEWER (e)
None		\$	\$	\$
Total Credits	-----	-----	\$	\$

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

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & S OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 118,111	\$ 192,254	\$ N/A	\$ 310,365
Debits during year:				
Accruals charged to Account 272	6,349	10,268		16,617
Other debits (specify):				
Total debits	6,349	10,268		16,617
Credits during year (specify):				
PSC-97-1458-FOF-WS		50,707		50,707
Total Credits		50,707		50,707
Balance end of year	\$ 124,460	\$ 151,815	\$ N/A	\$ 276,275



UTILITY NAME: Forest Hills Utilities, Inc.

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

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal income tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.

2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year -----		\$ -----
Reconciling items for the year:		
Taxable income not reported on the books:		
----- ----- -----		----- ----- -----
Deductions recorded on books not deducted for return:		
----- ----- -----		----- ----- -----
Income recorded on books not deducted for return:		
----- ----- -----		----- ----- -----
Deduction on return not charged against book income:		
----- -----		----- -----
Federal tax net income -----		\$ -----
Computation of tax:		
The Company is a Subchapter 'S' Corporation; therefore, this schedule is not applicable		

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

<b>YEAR OF REPORT</b> December 31, 1997
--

UTILITY NAME: Forest Hills Utilities, Inc.

**SCHEDULE "A"**

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

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

- (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**

<p align="center">Current Commission approved AFUDC rate: _____ %</p> <p align="center">Commission order approving AFUDC rate: _____</p>
--

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

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1997
--

**SCHEDULE "B"**

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

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

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

**WATER**

**OPERATION**

**SECTION**

UTILITY NAME: Forest Hills Utilities, Inc.

YEAR OF REPORT  
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**WATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
301	Organization	\$	\$	\$
302	Franchises			
303	Land and Land Rights	2,500		
304	Structure and Improvements	28,211		
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	54,855		
308	Infiltration Galleries and Tunnels			
309	Supply Mains	137,222		
310	Power Generation Equipment			
311	Pumping Equipment	19,098	2,094	
320	Water Treatment Equipment	11,254		
330	Distribution Reservoirs and Standpipes	15,072		
331	Transmission and Distribution Mains	155,124		
333	Services	6,396		
334	Meters and Meter Installations	65,266	6,957	
335	Hydrants	3,437		
339	Other Plant and Miscellaneous Equipment			
340	Office Furniture and Equipment	3,314		
341	Transportation Equipment	68,617		
342	Stores Equipment			
343	Tools, Shop and Garage Equipment	7,990		(7,500)(1)
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	34,856	4,780	
348	Other Tangible Plant	98,268		
	Total Water Plant	\$ 711,480	\$ 13,831	\$ (7,500)

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

Note (1): Adjustment to remove utility plant accrued in 1996 but not purchased



**WATER UTILITY PLANT MATRIX**

<b>CURRENT YEAR (f)</b>	<b>.1 INTANGIBLE PLANT (g)</b>	<b>.2 SOURCE OF SUPPLY AND PUMPING PLANT (h)</b>	<b>.3 WATER TREATMENT PLANT (i)</b>	<b>.4 TRANSMISSION AND DISTRIBUTION PLANT (j)</b>	<b>.5 GENERAL PLANT (k)</b>
\$	\$				
2,500		\$ 2,500	\$	\$	\$
28,211		9,734		1,568	16,909
54,855		54,855			
137,222		137,222			
21,192		21,192			
11,254			11,254		
15,072				15,072	
155,124				155,124	
6,396				6,396	
72,223				72,223	
3,437				3,437	
3,314					3,314
68,617					68,617
490					490
39,636					39,636
98,268					98,268
\$ 717,811	\$	\$ 225,503	\$ 11,254	\$ 253,820	\$ 227,234

UTILITY NAME: Forest Hills Utilities, Inc.

**WATER UTILITY EXPENSE ACCOUNTS**

**WATER EXPENSE ACCOUNT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 78,591	\$ 3,970	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders	40,000		
604	Employee Pensions and Benefits	15,000		
610	Purchased Water	248	248	
615	Purchased Power	18,936	18,936	
616	Fuel for Power Purchased			
618	Chemicals	11,237		
620	Materials and Supplies	43,276		26,308
631	Contractual Services - Engineering	229		
632	Contractual Services - Accounting	6,100		
633	Contractual Services - Legal	45,948		
634	Contractual Services - Management Fees	35,000		
635	Contractual Services - Other	55,119		
641	Rental of Building/Real Property	45,000	34,800	
642	Rental of Equipment	9,000		
650	Transportation Expense	7,630		
656	Insurance - Vehicle	3,020		
657	Insurance - General Liability			
658	Insurance - Workmens Compensation	1,165		
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Expenses Other			
670	Bad Debt Expense	6,801		
675	Miscellaneous Expenses	15,813		
	<b>Total Water Utility Expenses</b>	<b>\$ 438,113</b>	<b>\$ 57,954</b>	<b>\$ 26,308</b>

**WATER EXPENSE ACCOUNT MATRIX**

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 20,645	\$	\$ 23,821	\$ 15,427	\$ 14,728	\$
					40,000
					15,000
10,276	961				
	1,893		8,183		6,892
					229
					6,100
					45,948
					35,000
4,047				6,655	44,417
					10,200
			3,600		5,400
					7,630
					3,020
					1,165
				6,801	
	6,620				9,193
\$ 34,968	\$ 9,474	\$ 23,821	\$ 27,210	\$ 28,184	\$ 230,194

## WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	<b>Operating Revenues:</b>			
460	Unmetered Water Revenue -----			\$ -----
	<b>Metered Water Revenue:</b>			
461.1	Metered Sales to Residential Customers -----	2,094	2,110	394,135
461.2	Metered Sales to Commercial Customers -----	.90	91	91,871
461.3	Metered Sales to Construction Customers -----			
461.4	Metered Sales to Public Authorities -----	2	3	2,122
461.5	Metered Sales to Multiple Family Dwellings -----	47	35	9,852
	<b>Total Metered Sales -----</b>	<b>2,233</b>	<b>2,239</b>	<b>497,980</b>
	<b>Fire Protection Revenue:</b>			
462.1	Public Fire Protection -----			
462.2	Private Fire Protection -----	2	1	686
	<b>Total Fire Protection Revenue -----</b>	<b>2</b>	<b>1</b>	<b>686</b>
464	Other Sales to Public Authorities -----			
465	Sales to Irrigation Customers -----			
466	Sales for Resale -----			
467	Interdepartmental Sales -----			
	<b>Totals -----</b>	<b>2,235</b>	<b>2,240</b>	<b>498,666</b>
	<b>Other Water Revenues:</b>			
469	Guarenteed Revenues -----			
470	Forfeited Discounts -----			
471	Miscellaneous Service Revenues -----			5,749
472	Rents From Water Property -----			
473	Interdepartmental Rents -----			
474	Other Water Revenues -----			
	<b>Total Other Water Revenues -----</b>			<b>5,749</b>
	<b>Total Water Operating Revenues -----</b>			<b>\$ 504,415</b>

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
**December 31, 1997**

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f)
301	Organization		%	%
302	Franchises		%	%
304	Structure and Improvements	40	%	2.50 %
305	Collecting and Impounding Reservoirs		%	%
306	Lake, River and Other Intakes		%	%
307	Wells and Springs	40	%	2.50 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	40	%	2.50 %
310	Power Generation Equipment		%	%
311	Pumping Equipment	40	%	2.50 %
320	Water Treatment Equipment	40	%	2.50 %
330	Distribution Reservoirs and Standpipes	40	%	2.50 %
331	Transmission and Distribution Mains	40	%	2.50 %
333	Services	40	%	2.50 %
334	Meters and Meter Installations	40	%	2.50 %
335	Hydrants	40	%	2.50 %
339	Other Plant and Miscellaneous Equipment (Fire Mains)		%	%
340	Office Furniture and Equipment	10	%	10.00 %
341	Transportation Equipment	5	%	20.00 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	10	%	10.00 %
344	Laboratory Equipment		%	%
345	Power Operated Equipment		%	%
346	Communication Equipment		%	%
347	Miscellaneous Equipment	10	%	10.00 %
348	Other Tangible Plant	40	%	2.50 %
	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: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____	_____	_____	_____	_____
304	Structure and Improvements _____	11,521	706	_____	706
305	Collecting and Impounding Reservoirs _____	_____	_____	_____	_____
306	Lake, River and Other Intakes _____	_____	_____	_____	_____
307	Wells and Springs _____	12,860	1,371	_____	1,371
308	Infiltration Galleries and : Tunnels _____	_____	_____	_____	_____
309	Supply Mains _____	83,357	3,430	_____	3,430
310	Power Generation Equipment _____	_____	_____	_____	_____
311	Pumping Equipment _____	3,022	504	_____	504
320	Water Treatment Equipment _____	6,752	281	_____	281
330	Distribution Reservoirs and Standpipes _____	9,212	377	_____	377
331	Transmission and Distribution Mains _____	71,635	3,878	_____	3,878
333	Services _____	3,910	160	_____	160
334	Meters and Meter Installations _____	33,732	1,718	_____	1,718
335	Hydrants _____	1,819	86	_____	86
339	Other Plant and Miscellaneous Equipment _____	_____	_____	_____	_____
340	Office Furniture and Equipment _____	3,314	_____	_____	0
341	Transportation Equipment _____	58,475	10,142	_____	10,142
342	Stores Equipment _____	_____	_____	_____	_____
343	Tools, Shop and Garage Equipment _____	865	_____	_____	0
344	Laboratory Equipment _____	_____	_____	_____	_____
345	Power Operated Equipment _____	_____	_____	_____	_____
346	Communication Equipment _____	_____	_____	_____	_____
347	Miscellaneous Equipment _____	34,856	239	_____	239
348	Other Tangible Plant _____	60,050	2,457	_____	2,457
	<b>Total Depreciable Water Plant In Service _____</b>	<b>\$ 395,380</b>	<b>\$ 25,349</b>	<b>\$ _____</b>	<b>\$ 25,349</b>

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

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

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	12,227
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	14,231
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	86,787
_____	_____	_____	_____	_____	3,526
_____	_____	_____	_____	_____	7,033
_____	_____	_____	_____	_____	9,589
_____	_____	_____	_____	_____	75,513
_____	_____	_____	_____	_____	4,077
_____	_____	_____	_____	_____	35,450
_____	_____	_____	_____	_____	1,905
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	3,314
_____	_____	_____	_____	_____	68,617
_____	_____	_____	(375)(1)	(375)	490
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	35,095
_____	_____	_____	_____	_____	62,507
\$ _____	\$ _____	\$ _____	\$ align="right">(375)	\$ align="right">(375)	\$ align="right">420,354

Note (1): Adjustment to remove utility plant accrued in 1996 but not purchased

UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
**December 31, 1997**

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		14,361	1,000	13,361	13,045
February	43	13,567	2,500	11,110	12,809
March		17,580	800	16,780	12,328
April		13,928	500	13,428	12,575
May		14,485	1,200	13,285	10,272
June		14,424	300	14,124	13,352
July		13,306	300	13,006	16,657
August		13,707	1,300	12,407	11,034
September		13,784	800	12,984	12,921
October		14,183	600	13,583	11,347
November		14,895	400	14,495	10,663
December		14,113	600	13,513	10,707
Total for year	43	172,333	10,300	162,076	147,710

If water is purchased for resale, indicate the following:

Vendor Pasco County  
 Point of delivery U.S. 19 & Bartlet Road

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

N/A



**UTILITY NAME:** Forest Hills Utilities, Inc.  
**SYSTEM NAME:** Same

**WATER TREATMENT PLANT INFORMATION**

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

**LIME TREATMENT**

**Unit rating (GPM):** N/A      **Manufacturer:** N/A

**FILTRATION**

**Type and area:**     **Pressure**    -    **Square Feet:** \_\_\_\_\_  
                               **Gravity**        -    **GPM/Square Feet:** \_\_\_\_\_

**MAINS**

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR (in feet)	ADDITIONS	RETIREMENTS	MAINS END OF YEAR (in feet)
PVC	1"	800			800
PVC	2"	20,400			20,400
PVC	2 1/2"	65,150			65,150
PVC	4"	8,555			8,555
PVC	6"	49,520			49,520
PVC	8"	500			500
PVC	10"	2,300			2,300
PVC	12"	200			200
<b>Total feet of mains</b> _____		<b>147,425</b>			<b>147,425</b>

**SERVICES AND METERS**

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	2,219	8		2,227
1"	1		1	
1 1/2"	7			7
2"	5		1	4
3"		1		1
4"				
6"	1			1
8"				
Other (Specify): _____				
<b>Total meters in service</b> _____	<b>2,233</b>	<b>9</b>	<b>2</b>	<b>2,240</b>
<b>Total meters in stock</b> _____	<b>19</b>			<b>19</b>
<b>Number of services in use</b> _____	<b>2,233</b>	<b>9</b>	<b>2</b>	<b>2,240</b>

UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

YEAR OF REPORT  
 December 31, 1997

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	1 1966	2 1968	4 1959	5 1957
Types of Well Construction and Casing _____	Drilled 84' Casing	Drilled 60' Casing	Drilled 60' Casing	Drilled 60' Casing
Depth of Wells _____	100'	95'	100'	64'
Diameters of Wells _____	6"	6"	6"	6"
Pump - GPM _____	200	200	200	200
Motor - HP _____	10	10	10	
Yeilds of Wells in GPD _____	20,000	100,000	110,000	110,000
Auxillary Power _____	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete, or pneumatic) _____	1 Steel	2 Steel	3 Steel	4 Steel
Capacity of Tank _____	5,000	5,000	5,000	5,000
Ground of Elevated _____	Ground	Ground	Ground	Ground

**HIGH SERVICE PUMPING**

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____	G.E.	U.S. Motors	U.S. Motors	U.S. Motors
Type _____	Electric	Electric	Electric	Electric
Rated Horsepower _____	10	10	10	10
<b>PUMPS</b>				
Manufacturer _____	G.E.	Peerless	Peerless	Peerless
Type _____	Electric	Electric	Electric	Electric
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____	4	4	4	4
Auxiliary Power _____	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect

UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
**December 31, 1997**

**WELLS AND WELL PUMPS**

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	6 1962	8 1974	10 1980	11 1975
Types of Well Construction and Casing _____	Drilled 60' Casing	Drilled 60' Casing	Drilled 95' Casing	Drilled 37' Casing
Depth of Wells _____	67'	69'	95'	69'
Diameters of Wells _____	6"	6"	6"	6"
Pump - GPM _____	100	150	150	200
Motor - HP _____	10	10	10	10
Yields of Wells in GPD _____	74,000	54,000	100,000	100,000
Auxillary Power _____	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect

**RESERVOIRS**

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete, or pneumatic) _____	5 Steel	6 Steel	7 Steel	
Capacity of Tank _____	5,000	5,000	3,000	
Ground of Elevated _____	Ground	Ground	Ground	

**HIGH SERVICE PUMPING**

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____	G.E.	U.S. Motors	U.S. Motors	U.S. Motors
Type _____	Electric	Electric	Electric	Electric
Rated Horsepower _____				
<b>PUMPS</b>				
Manufacturer _____	Peerless	Peerless	Peerless	G.E.
Type _____	Electric	Electric	Electric	Electric
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____	4	4	4	4
Auxiliary Power _____	None	Pasco Interconnect	Pasco Interconnect	Pasco Interconnect

UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

YEAR OF REPORT  
 December 31, 1997

**WELLS AND WELL PUMPS**

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

**RESERVOIRS**

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

**HIGH SERVICE PUMPING**

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____	G.E.	_____	_____	_____
Type _____	Electric	_____	_____	_____
Rated Horsepower _____	_____	_____	_____	_____
<b>PUMPS</b>				
Manufacturer _____	G.E.	_____	_____	_____
Type _____	Electric	_____	_____	_____
Capacity in GPM _____	_____	_____	_____	_____
Average Number of Hours Operated Per Day _____	4	_____	_____	_____
Auxiliary Power _____	None	_____	_____	_____

**UTILITY NAME:** Forest Hills Utilities, Inc.  
**SYSTEM NAME:** Same

**SOURCE OF SUPPLY**

List for each source of supply:

Gallons per day of source _____	668,000	48	
Type of source _____	Wells	Pasco Interconnect	

**WATER TREATMENT FACILITIES**

List for each water treatment facility:

Type _____	Chlorination		
Make _____	Unknown		
Gallons per day capacity _____	300,000		
Method of measurement _____	Flow Meter		

**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 \* that system can efficiently serve. 1,156
- Estimated annual increase in ERC's \* . 5; System is essentially built out
- List fire fighting facilities and capacities Hydrants
- List percent of certificate area where service connection are installed (total for each county). 90 %
- What is the current need for system upgrading and/or expansion? None
- What are plans for future upgrading and/or expansion? None
- Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? N/A
- Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? Yes

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

UTILITY NAME: Forest Hills Utilities, Inc.  
SYSTEM NAME: Same

**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	2,227	2,227
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	7	35
2"	Displacement, Compound or Turbine	8.0	4	32
3"	Displacement	15.0		
3"	Compound	16.0	1	16
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0	1	50
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
<b>Total Water System Meter Equivalents</b> -----				<b>2,360</b>

**CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS**

$$\left( \frac{147,710,000}{\text{(total gallons sold)}} \right) / 365 \text{ days} / 350 \text{ gpd} = 1,156$$

**SEWER  
OPERATION  
SECTION**

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**SEWER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
351	Organization _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____
353	Land and Land Rights _____	7,600	_____	(500)
354	Structure and Improvements _____	6,914	_____	(1,000)
360	Collection Sewers - Force _____	269,407	204,721	_____
361	Collection Sewers - Gravity _____	_____	_____	_____
362	Special Collecting Structures _____	_____	_____	_____
363	Services to Customers _____	60,420	_____	_____
364	Flow Measuring Devices _____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____
371	Pumping Equipment _____	101,671	_____	_____
380	Treatment and Disposal Equipment _____	119,973	_____	(119,973)
381	Plant Sewers _____	_____	_____	_____
382	Outfall Sewer Lines _____	200	_____	(200)
389	Other Plant and Miscellaneous Equipment _____	_____	_____	_____
390	Office Furniture and Equipment _____	_____	_____	_____
391	Transportation Equipment _____	4,000	_____	_____
392	Stores Equipment _____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	2,477	_____	_____
394	Laboratory Equipment _____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____
398	Other Tangible Plant _____	_____	_____	_____
	<b>Total Sewer Plant _____</b>	<b>\$ 572,662</b>	<b>\$ 204,721</b>	<b>\$ (121,673)</b>

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

Note: Retirement of sewer treatment facilities per Order No.  
PSC-97-1458-FOF-SU



**SEWER UTILITY PLANT MATRIX**

CURRENT YEAR (f)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 GENERAL PLANT (k)
\$	\$	\$	\$	\$	\$
7,100		6,600	500		
5,914		3,914	2,000		
474,128		474,128			
60,420		60,420			
101,671			101,671		
4,000					4,000
2,477					2,477
\$ 655,710	\$	\$ 545,062	\$ 104,171	\$	\$ 6,477

UTILITY NAME: Forest Hills Utilities, Inc.

**SEWER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)		
			.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees _____	\$ 11,488	\$ 3,970	\$ _____
703	Salaries and Wages - Officers, Directors and Majority Stockholders _____	15,000		
704	Employee Pensions and Benefits _____			
710	Purchased Sewage Treatment _____	167,309		
711	Sludge Removal Expense _____			
715	Purchased Power _____	10,909		
716	Fuel for Power Purchased _____			
718	Chemicals _____	1,662		
720	Materials and Supplies _____	10,710		736
731	Contractual Services - Engineering _____	1,246		
732	Contractual Services - Accounting _____	18,671		
733	Contractual Services - Legal _____	29,684		
734	Contractual Services - Management Fees _____	10,300		
735	Contractual Services - Other _____	19,470		
741	Rental of Building/Real Property _____	10,200		
742	Rental of Equipment _____	5,400		
750	Transportation Expense _____	4,139		
756	Insurance - Vehicle _____	3,020		
757	Insurance - General Liability _____			
758	Insurance - Workmens Compensation _____	433		
759	Insurance - Other _____			
760	Advertising Expense _____			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense _____			
767	Regulatory Commission Expenses Other _____			
770	Bad Debt Expense _____			
775	Miscellaneous Expenses _____	8,328		
	<b>Total Sewer Utility Expenses _____</b>	<b>\$ 327,969</b>	<b>\$ 3,970</b>	<b>\$ 736</b>

**SEWER 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)
\$ _____	\$ 3,970	\$ _____	\$ _____	\$ 3,474	\$ 74
_____	_____	_____	_____	_____	15,000
_____	_____	167,309	_____	_____	_____
3,993	_____	6,916	_____	_____	_____
_____	_____	1,662	_____	_____	_____
_____	1,390	_____	1,347	_____	7,237
_____	_____	_____	_____	_____	1,246
_____	_____	_____	_____	_____	18,671
_____	_____	_____	_____	_____	29,684
_____	_____	_____	_____	_____	10,300
_____	_____	1,294	_____	_____	18,176
_____	_____	_____	_____	_____	10,200
_____	_____	_____	_____	_____	5,400
_____	_____	_____	_____	_____	4,139
_____	_____	_____	_____	_____	3,020
_____	_____	_____	_____	_____	433
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	170	5,072	_____	_____	3,086
\$ 3,993	\$ 5,530	\$ 182,253	\$ 1,347	\$ 3,474	\$ 126,666

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1997

**SEWER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
	Flat Rate Revenues:			
521.1	Residential Revenues _____	_____	_____	\$ _____
521.2	Commercial Revenues _____	_____	_____	_____
521.3	Industrial Revenues _____	_____	_____	_____
521.4	Revenues From Public Authorities _____	_____	_____	_____
521.5	Multiple Family Dwelling Revenues _____	_____	_____	_____
521.6	Other Revenues _____	_____	_____	_____
	Total Flat Rate Revenues _____	_____	_____	_____
	Measured Revenues:			
522.1	Residential Revenues _____	1,001	1,027	277,982
522.2	Commercial Revenues _____	53	85	69,041
522.3	Industrial Revenues _____	_____	_____	_____
522.4	Revenues From Public Authorities _____	1	1	487
522.5	Multiple Family Dwelling Revenues _____	32	23	8,700
	Total Measured Revenues _____	1,087	1,136	356,210
523	Revenues From Public Authorities _____	_____	_____	_____
524	Revenues From Other Systems _____	_____	_____	_____
525	Interdepartmental Revenues _____	_____	_____	_____
	Totals _____	1,087	1,136	356,210
	Other Sewer Revenues:			
530	Guarenteed Revenues _____	_____	_____	_____
531	Sale of Sludge _____	_____	_____	_____
532	Forfeited Discounts _____	_____	_____	_____
534	Rents From Sewer Property _____	_____	_____	_____
535	Interdepartmental Rents _____	_____	_____	_____
536	Other Sewer Revenues _____	_____	_____	_____
	Total Other Sewer Revenues _____	_____	_____	_____
	Total Sewer Operating Revenues _____	_____	_____	\$ 356,210

**BASIS FOR SEWER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	40	%	2.50 %
360	Collection Sewers - Force	40	%	2.50 %
361	Collection Sewers - Gravity		%	%
362	Special Collecting Structures		%	%
363	Services to Customers	40	%	2.50 %
364	Flow Measuring Devices		%	%
365	Flow Measuring Installations		%	%
370	Receiving Wells		%	%
371	Pumping Equipment	40	%	2.50 %
380	Treatment and Disposal Equipment	40	%	2.50 %
381	Plant Sewers		%	%
382	Outfall Sewer Lines	40	%	2.50 %
389	Other Plant and Miscellaneous Equipment		%	%
390	Office Furniture and Equipment		%	%
391	Transportation Equipment	10	%	10.00 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	10	%	10.00 %
394	Laboratory Equipment		%	%
395	Power Operated Equipment		%	%
396	Communication Equipment		%	%
397	Miscellaneous Equipment		%	%
398	Other Tangible Plant		%	%
	Sewer Plant Composite Depreciation Rate		%	%

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

UTILITY NAME: Forest Hills Utilities, Inc.

**ANALYSIS OF ENTRIES IN SEWER ACCUMULATED DEPRECIATION**

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	_____	_____	_____	_____
354	Structure and Improvements _____	3,902	124	_____	124
360	Collection Sewers - Force _____	148,131	9,294	_____	9,294
361	Collection Sewers - Gravity _____	_____	_____	_____	_____
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	34,065	1,511	_____	1,511
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	28,822	2,542	_____	2,542
380	Treatment and Disposal Equipment _____	52,807	(2,749)	_____	(2,749)
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	113	(5)	_____	(5)
389	Other Plant and Miscellaneous Equipment _____	_____	_____	_____	_____
390	Office Furniture and Equipment _____	_____	_____	_____	_____
391	Transportation Equipment _____	4,000	_____	_____	0
392	Stores Equipment _____	_____	_____	_____	_____
393	Tools, Shop and Garage Equipment _____	2,477	_____	_____	0
394	Laboratory Equipment _____	_____	_____	_____	_____
395	Power Operated Equipment _____	_____	_____	_____	_____
396	Communication Equipment _____	_____	_____	_____	_____
397	Miscellaneous Equipment _____	_____	_____	_____	_____
398	Other Tangible Plant _____	_____	_____	_____	_____
	Total Depreciable Sewer Plant In Service _____	\$ 274,317	\$ 10,717	\$ _____	\$ 10,717

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



UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
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**PUMPING EQUIPMENT**

	1	2	3	4	5	6
Lift station number _____						
Make or type and nameplate data of pump _____	Empo Connell	Empo Connell	Empo Connell	Empo Connell	Empo Connell	Empo Connell
Year installed _____	1970	1972	1972	1972	1973	1973
Rated capacity (GPM) _____	250	250	200	200	250	175
Size _____	4"	4"	4"	4"	4"	4"
Power:						
Electric _____	X	X	X	X	X	X
Mechanical _____						
Nameplate data of motor _____	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

	7					
Lift station number _____						
Make or type and nameplate data of pump _____	Peabody					
Year installed _____	1991					
Rated capacity (GPM) _____	250					
Size _____	4"					
Power:						
Electric _____	X					
Mechanical _____						
Nameplate data of motor _____	Unknown					

**SERVICE CONNECTIONS**

Size (inches) _____	4"					
Type (PVC, VCP, etc) _____	VCP					
Average length _____	50'					
Number of active service connections _____	1,136					
Beginning of year _____	1,087					
Added during year _____	49					
Retired during year _____						
End of year _____	1,136					
Give full particulars concerning inactive connections _____	None					



UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

YEAR OF REPORT  
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**COLLECTING MAINS**

COLLECTING MAINS:						
Size (inches) _____	8"	4"	_____	_____	_____	_____
Type of main _____	VCP	VCP	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	54,643	2,535	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	54,643	2,535	_____	_____	_____	_____
MANHOLES:           :						
Size (inches) _____	4'	_____	_____	_____	_____	_____
Type _____	Concrete	_____	_____	_____	_____	_____
Number:						
Beginning of year _____	245	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	245	_____	_____	_____	_____	_____

**FORCE MAINS**

FORCE MAINS:						
Size (inches) _____	6"	6"	8"	6"	_____	_____
Type of main _____	VCP	PVC	PVC	DI	_____	_____
Length of main (nearest foot):						
Beginning of year _____	11,964	_____	_____	_____	_____	_____
Added during year _____	_____	1,760	660	60	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	11,964	1,760	660	60	_____	_____

UTILITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

**YEAR OF REPORT**  
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**TREATMENT PLANT**

Manufacturer _____	<b>Purchased sewage</b>	<b>Marolf</b>	_____
Type _____	<b>Treatment from</b>	<b>Extended Air</b>	_____
"Steel" or "Concrete" _____	<b>Pasco County</b>	<b>Concrete</b>	_____
Total Capacity _____	<b>N/A</b>	<b>.3MGD</b>	_____
Average Daily Flow _____	<b>204,958</b>	<b>233,263</b>	_____
Effluent Disposal _____	<b>N/A</b>	<b>Ponds, Irrigation</b>	_____
Total Gallons of Sewage Treated _____	<b>62,717,000</b>	<b>13,296,000</b>	_____

Note: Sewer plant out of operation 2/28/97; Sewer treatment purchased March through December  
**MASTER LIFT STATION PUMPS**

Manufacturer _____	<b>Empo</b>	<b>Empo</b>	_____	_____	_____	_____
Capacity _____	<b>Connell</b>	<b>Connell</b>	_____	_____	_____	_____
Motor: Mfr. _____	<b>250 GPM</b>	<b>250 GPM</b>	_____	_____	_____	_____
Horsepower _____	<b>Empo</b>	<b>Empo</b>	_____	_____	_____	_____
Power (Electric or Mechanical) _____	<b>5</b>	<b>5</b>	_____	_____	_____	_____
	<b>Electric</b>	<b>Electric</b>	_____	_____	_____	_____

**OTHER SEWER SYSTEM INFORMATION**

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

- Maximum number of ERC's \* which can be served. 757
- Estimated annual increase in ERC's \* . 5 ; System is essentially built out
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. DO 51-091960
- State any plans and estimated completion dates for any enlargements of this system.  
Sewer plant out of operation 2/28/97; Sewer treatment purchased March through December
- If the present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following:
  - Evaluation of the present plant or plants in regard to meeting the DER's rules.
  - Plans for funding and construction of the required upgrading.
  - Have these plans been coordinated with the DER? N/A
  - Do they concur? \_\_\_\_\_
  - When will construction begin? \_\_\_\_\_
- In what percent of your certificated area have service connections been installed? 90 %

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

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

CITY NAME: Forest Hills Utilities, Inc.  
 SYSTEM NAME: Same

YEAR OF REPORT  
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**CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL UNITS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	1,096	1,096
3/4"	Displacement	1.5		
1"	Displacement	2.5	2	5
1 1/2"	Displacement or Turbine	5.0	5	25
2"	Displacement, Compound or Turbine	8.0	21	168
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0	12	600
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total SEWER System Meter Equivalents _____				1,894

**CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS**

$$\left( \frac{76,013,000}{365 \text{ days}} \right) / 275 \text{ gpd} = \underline{757}$$

(total gallons treated and sold)