

**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.**

**RECEIVED**

**MAR 30 1999**

Florida Public Service Commission  
Division of Water and Wastewater

**200-W/145-S**

**Certificate Number(s)**



**FOR THE**

**YEAR ENDED DECEMBER 31, 1998**

*CITY OF  
DO NOT RETURN TO THIS OFFICE*

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MAIL ROOM

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

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

2560 GULF-TO-BAY BOULEVARD  
SUITE 200  
CLEARWATER, FLORIDA 33765-4419  
(727) 791-4020  
FACSIMILE  
(727) 797-3602  
e-Mail  
cjniw@worldnet.att.net

March 23, 1999

Officers and Directors  
Forest Hills Utilities, Inc.

We have compiled the 1998 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**

UTILITY NAME: Forest Hills Utilities, Inc.

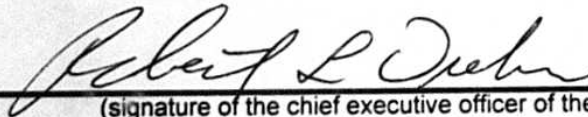
**YEAR OF REPORT**  
December 31, 1998

**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: ( 727 ) 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 Gilf to Bay Blvd, Suite 200  
Clearwater, FL 34625

Telephone: ( 727 ) 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: ( 727 ) 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.			%

UTILITY NAME: Forest Hills Utilities, Inc.

YEAR OF REPORT  
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**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.

**YEAR OF REPORT**  
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**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.

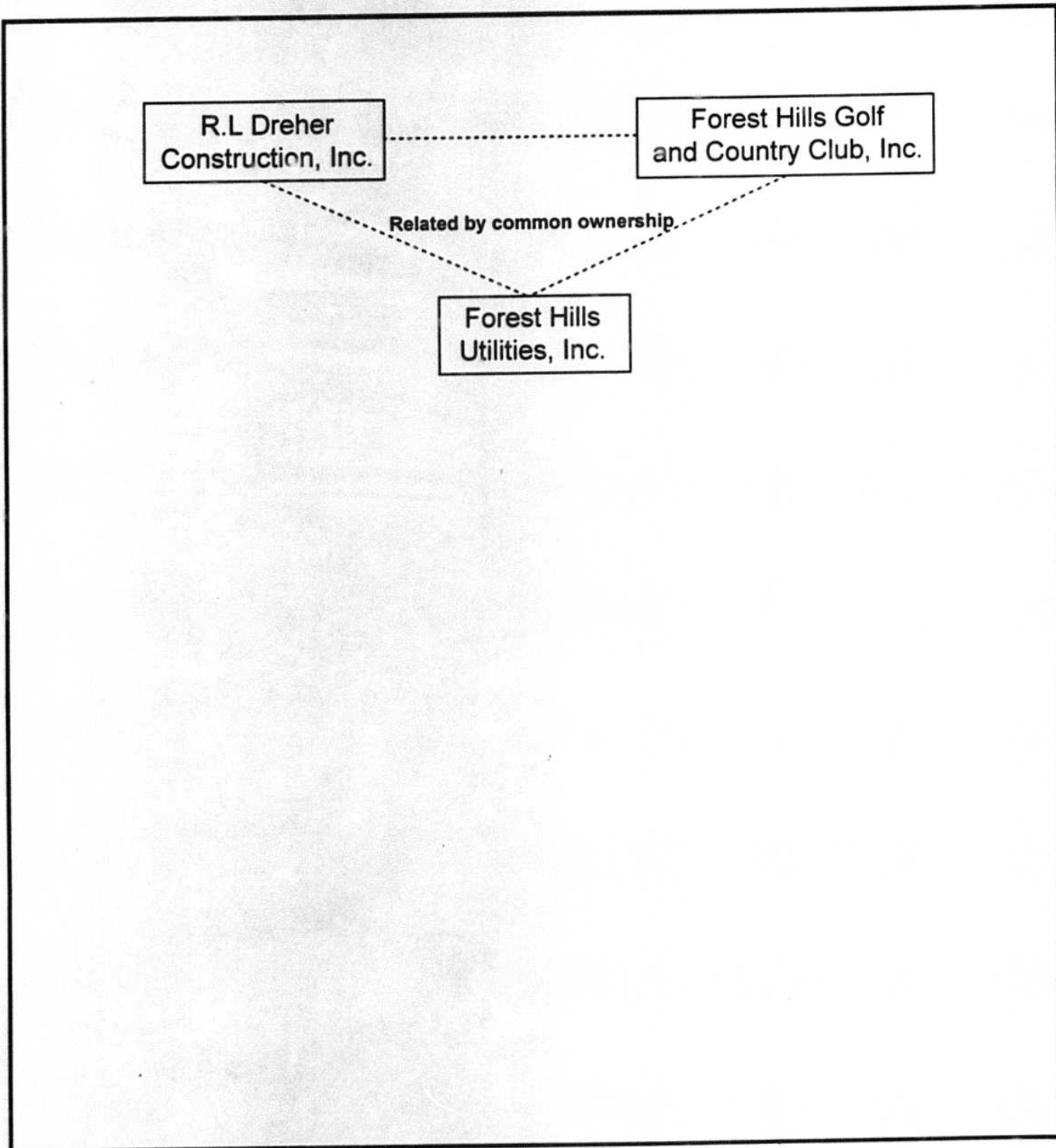
- A. The Company began operations on February 16, 1967 to serve the Forest Hills development in Holiday, Pasco County, Florida.
- B. The Company provides water and sewer utility service as well as street lighting and trash removal services.
- C. To provide adequate water and sewer service to its customers and a fair rate of return to its owners.
- D. Water, sewer, streetlights and garbage removal.
- E. Approximately 5 customers a year.
- F. None



UTILITY NAME: Forest Hills Utilities, Inc.

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

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, 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 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, 1998

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

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

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

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1998

**AFFILIATION OF OFFICERS AND DIRECTORS**

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

<b>NAME</b> (a)	<b>PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION</b> (b)	<b>AFFILIATION OR CONNECTION</b> (c)	<b>NAME AND ADDRESS OF AFFILIATION OR CONNECTION</b> (d)
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, 1998

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

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

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

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1998
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**BUSINESS TRANSACTIONS WITH RELATED PARTIES**

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

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

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

NAME OF COMPANY OR RELATED PARTY (a)	DESCRIPTION SERVICE AND/OR NAME OF PRODUCT (b)	CONTRACT OR AGREEMENT EFFECTIVE DATES (c)	ANNUAL CHARGES	
			(P)urchased or (S)old (d)	AMOUNT (e)
R.L. Dreher Construction, Inc.	Land, Building and Equipment rent and Management	Open	P	25,000
Robert L. Dreher	Office & Equipment rent	Open	P	24,000

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

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

1. Enter in this part all transactions relating to the purchase, sale or transfer of assets.
2. Below are examples of some types of transactions to include:
  - purchase, sale or transfer of equipment.
  - purchase, sale or transfer of land and structures.
  - purchase, sale or transfer of securities.
  - noncash transfers of assets.
  - noncash dividends other than stock dividends.
  - writeoff of bad debts or loans.

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

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

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1998

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

DESCRIPTION (a)	WATER (b)	SEWER (c)
PLANT (Intrastate Only)(000's Omitted):		
Plant in Service _____	\$ 729	\$ 656
Construction Work In Progress _____		
Plant Acquisition Adjustment _____		
Plant Held For Future Use _____		1
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	440	252
Contributions In Aid Of Construction (Net) _____	126	133
Net Book Cost _____	\$ 163	\$ 272
REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues _____	\$ 514	\$ 398
Depreciation and Amortization Expense _____	\$ 13	\$ 10
Income Tax Expense _____		
Taxes Other Than Income _____	43	29
Other Operating Expenses _____	472	340
Total Operating Expenses _____	\$ 528	\$ 379
Net Operating Income _____	\$ (14)	\$ 19
Other Income _____	\$ 106	\$ 107
Other Income Deductions _____	165	164
Net Income _____	\$ (73)	\$ (38)
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	2,099	1,010
Commercial - Yearly Average _____	91	92
Industrial - Yearly Average _____		
Others - Yearly Average _____	59	45
Total _____	2,249	1,147
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons (1) _____	65.58	61.64
Average Annual Residential Cost Per 1,000 Gallons (1) _____	\$ 3.58	\$ 5.37
Average Residential Monthly Bill _____	\$ 15.89	\$ 23.54
Gross Plant Investment Per Customer _____	\$ 324	\$ 572

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, 1998

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	\$ 1,385,379	\$ 1,374,021
108-110	Less: Accumulated Depreciation and Amortization	F-6	(691,865)	(654,681)
	Net Plant		693,514	719,340
114-115	Utility Plant Acquisition Adjustments (Net)	F-5		
	Other Plant Adjustments (specify)			
	Total Net Utility Plant		693,514	719,340
<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		141,065	178,417
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	251,337	180,701
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		392,402	383,140

UTILITY NAME: Forest Hills Utilities, Inc.

YEAR OF REPORT  
December 31, 1998

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense_____	F-12		
182	Extraordinary Property Losses_____	F-12		
186	Misc. Deferred Debits_____	F-11	22,320	27,394
190	Accumulated Deferred Income Taxes_____			
	Total Deferred Debits_____		22,320	27,394
	TOTAL ASSETS AND OTHER DEBITS_____		\$ 1,108,236	\$ 1,129,874

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, 1998

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	30,218	141,084
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital _____		201,553	312,419
<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 _____		35,167	74,643
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13	494,734	354,073
234	Notes Payable to Associated Co. _____	F-13		
235	Customer Deposits (Water Utility) _____		15,395	15,790
236	Accrued Taxes _____	F-17	43,898	45,202
237	Accrued Interest _____	F-18		
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19	28,950	31,000
	Total Current and Accrued Liabilities _____		618,144	520,708

UTILITY NAME: Forest Hills Utilities, Inc.

YEAR OF REPORT  
December 31, 1998

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	<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	548,457	543,022
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(289,918)	(276,275)
	Total Net C.I.A.C. _____		258,539	266,747
	<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>\$ 1,108,236</b>	<b>\$ 1,129,874</b>

UTILITY NAME: Forest Hills Utilities, Inc.

**COMPARATIVE OPERATING INCOME**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 860,625	F-3(b)	\$ 912,071
401	Operating Expenses _____	766,082	F-3(b)	811,744
403	Depreciation Expense _____	19,449	F-6	23,541
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____			
408.1	Taxes Other Than Income _____	62,389	F-17	72,431
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 _____	847,920		907,716
	Utility Operating Income _____	12,705		4,355
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)] _____	12,705		4,355

**COMPARATIVE OPERATING INCOME**

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (c)	OTHER (e)
W-3	\$ 513,919	S-3	\$ 398,152	\$ N/A
W-2	472,123	S-2	339,621	
F-6	13,053	F-6	10,488	
F-6		F-6		
F-17	42,722	F-17	29,709	
F-17		F-17		
	527,898		379,818	
	(13,979)		18,334	
	\$ (13,979)		\$ 18,334	\$ N/A

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**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)]	12,705		4,355
	<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		193
420	Allowance for Funds Used During Construction			
421	Nonutility Income	201,772		213,371
426	Miscellaneous Nonutility Expenses	(202,297)		(325,332)
	Total Other Income and Deductions	(414)		(111,768)
	<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	5,502	F-18	3,453
428	Amortization of Debt Discount & Expense		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	5,502		3,453
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	<b>NET INCOME</b>	<b>\$ 6,789</b>		<b>\$ (110,866)</b>



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	\$ 729,169	\$ 656,210
	Less:			
	Nonused and Useful Plant (1) _____			500
108.1	Accumulated Depreciation _____	F-6	439,786	252,079
110.1	Accumulated Amortization _____	F-6		
271	Contributions in Aid of Construction _____	F-20	256,368	292,089
252	Advances for Construction _____	F-19		
	Subtotal _____		33,015	111,542
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	130,839	159,079
	Subtotal _____		163,854	270,621
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____		59,015	42,453
	Other (Specify): _____			
	_____			
	_____			
	RATE BASE _____		\$ 222,869	\$ 313,074
	UTILITY OPERATING INCOME (LOSS) _____		\$ (13,979)	\$ 18,334
	ACHIEVED RATE OF RETURN _____		-- %	5.86 %

**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.

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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	\$ 729,169	\$ 655,710	\$ N/A	\$ 1,384,879
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	\$ 729,169	\$ 656,210	\$	\$ 1,385,379

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.

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ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ 420,354	\$ 234,327	\$ N/A	\$ 654,681
Credits during year:				
Accruals charged:				
to Account 108	19,432	17,752		37,184
Accruals charged other accounts (specify)				
Salvage				
Other Credits (specify)				
Total credits	19,432	17,752		37,184
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify)				
Total debits				
Balance end of year	\$ 439,786	\$ 252,079	\$ N/A	\$ 691,865

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):	
N/A	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Special Deposits _____	\$ _____

UTILITY NAME: Forest Hills Utilities, Inc.

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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): 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.

**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 _____	\$ 63,784
Sewer _____	61,286
Other ___ (Streetlights & Garbage) _____	106,392
Total Customer Accounts Receivable _____	231,462
<b>OTHER ACCOUNTS RECEIVABLE (Acct. 142):</b>	
Other Receivables _____	\$ 19,875
_____	
_____	
Total Other Accounts Receivable _____	19,875
<b>NOTES RECEIVABLE (Acct. 144):</b>	
_____	\$ _____
_____	
Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	251,337
<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 _____	\$ 251,337

DESCRIPTION (a)	TOTAL (b)
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total _____	\$ NONE

**NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
<p align="center">N/A</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	\$ <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Total _____		\$

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 _____	22,320
Total Miscellaneous Deferred Debits _____	\$ align="right">22,320



UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1998
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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)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Acct. 181):		
N/A	\$	\$
Total Unamortized Debt Discount and Expense _____	\$ NONE	\$
UNAMORTIZED PREMIUM ON DEBT (Acct. 251):		
N/A	\$	\$
Total Unamortized Premium on Debt _____	\$	\$

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

Report each item separately.	
DESCRIPTION (a)	TOTAL (b)
EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
N/A	\$
Total Extraordinary Property Losses _____	\$

UTILITY NAME: Forest Hills Utilities, Inc.

**NOTES PAYABLE (ACCTS. 232 AND 234)**

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

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

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
R.L. Dreher Construction	\$ 364,979
Robert L. Dreher	102,395
Forest Hills Golf & Country Club	27,360
Total	\$ 494,734



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 _____	\$ 141,084
	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 (Loss) _____	(110,866)
436	Appropriations of Retained Earnings:	
	_____	
	Total appropriations of Retained Earnings _____	
	Dividends declared:	
437	Preferred stock dividends declared _____	
438	Common stock dividends declared _____	
	_____	
	Total Dividends Declared _____	
	Balance end of year _____	30,218
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	
	_____	
	Total Appropriated Retained Earnings _____	
	Total Retained Earnings _____	\$ 30,218

Notes to Statement of Retained Earnings:

UTILITY NAME: Forest Hills Utilities, Inc.

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BONDS (ACCT. 221)

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

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
N/A	\$
Total	-----

UTILITY NAME: Forest Hills Utilities, Inc.

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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	\$ 26,186	\$ 19,016	\$ N/A	\$ 45,202
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees	23,121	17,917		41,038
408.11	Property Taxes	13,911	7,805		21,716
408.12	Payroll Taxes	5,230	3,964		9,194
408.13	Other Taxes & Licenses	460	23		483
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	42,722	29,709		72,431
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees	22,699	16,030		38,729
408.11	Property Taxes	13,911	7,805		21,716
408.12	Payroll Taxes	6,880	5,927		12,807
408.13	Other Taxes & Licenses	460	23		483
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	43,950	29,785		73,735
	Balance End of Year	\$ 24,958	\$ 18,940	\$ N/A	\$ 43,898

UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1998
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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	\$ align="right">2,800	\$ align="right">2,800	\$ align="right">0
Total Account No. 237.1 __			2,800	2,800	0
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:					
Customer deposits			589	589	
Other Interest Expense			64	64	
Total Account 237.2 _ _ _			653	653	
Total Account 237 _ _ _ _	\$ _____		\$ align="right">3,453	\$ align="right">3,453	\$ align="right">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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**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCT. 241)**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Customer deposits - garbage and street lights	\$ 28,950
Total Miscellaneous Current and Accrued Liabilities -----	\$ 28,950

**ADVANCES FOR CONSTRUCTION (ACCT. 252)**

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



UTILITY NAME: Forest Hills Utilities, Inc.

<b>YEAR OF REPORT</b> December 31, 1998
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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	\$ 289,059	\$ N/A	\$ 543,022
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A") _____	2,405	3,030		5,435
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B") _____				
Total Credits _____	2,405	3,030		5,435
Less debits charged during the year (All debits charged during year must be explained below) _____				
Total Contributions In Aid of Construction _____	\$ 256,368	\$ 292,089	\$ N/A	\$ 548,457

Explain all debits charged to Account 271 below:


UTILITY NAME: Forest Hills Utilities, Inc.

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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)
Main Extension	13	\$ 185.00	\$ 2,405	\$
Main Extension	7	300.00		2,100
Main Extension	1	930.00		930
Total Credits			\$ 2,405	\$ 3,030

**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	\$ 124,460	\$ 151,815	\$ N/A	\$ 276,275
Debits during year:				
Accruals charged to Account 272	6,379	7,264		13,643
Other debits (specify):				
Total debits	6,379	7,264		13,643
Credits during year (specify):				
PSC-97-1458-FOF-WS				
Total Credits				
Balance end of year	\$ 130,839	\$ 159,079	\$ N/A	\$ 289,918

UTILITY NAME: Forest Hills Utilities, Inc.

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**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)	INDICATE "CASH" OR "PROPERTY" (b)	WATER (c)	SEWER (d)
None		\$	\$
Total Credits	-----	\$	\$

UTILITY NAME: Forest Hills Utilities, Inc.

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

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

1. The reconciliation should include the same detail as furnished on schedule M-1 of the federal 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 \*\***

UTILITY NAME: Forest Hills Utilities, Inc.

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

**SCHEDULE "A"**

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 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**

Current Commission approved AFUDC rate: 8.78 %

Commission order approving AFUDC rate: PSC-97-1458-FOF-SU

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

UTILITY NAME: Forest Hills Utilities, Inc.

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--

**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**

YEAR OF REPORT December 31, 1998
-------------------------------------

UTILITY NAME: Forest Hills Utilities, Inc.

**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	9,734	
304	Structure and Improvements _____	28,211	(9,734)	
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 _____	21,192		
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 _____	72,223	8,558	
335	Hydrants _____	3,437		
339	Other Plant and Miscellaneous Equipment _____			
340	Office Furniture and Equipment _____	3,314		
341	Transportation Equipment _____	68,617	2,800	
342	Stores Equipment _____			
343	Tools, Shop and Garage Equipment _____	490		
344	Laboratory Equipment _____			
345	Power Operated Equipment _____			
346	Communication Equipment _____			
347	Miscellaneous Equipment _____	39,636		
348	Other Tangible Plant _____	98,268		
	Total Water Plant _____	\$ 717,811	\$ 11,358	\$ _____

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



**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>
\$	\$				
12,234		\$ 2,500	\$	\$ 1,568	\$ 9,734
18,477					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	
80,781				80,781	
3,437				3,437	
3,314					3,314
71,417					71,417
490					490
39,636					39,636
98,268					98,268
\$ 729,169	\$	\$ 215,769	\$ 11,254	\$ 262,378	\$ 239,768

UTILITY NAME: Forest Hills Utilities, Inc.

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	WATER EXPENSE ACCOUNT MATRIX	
			.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 94,835	\$ 4,991	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders	40,000		
604	Employee Pensions and Benefits	21,803		
610	Purchased Water	6,702	6,702	
615	Purchased Power	16,596	16,596	
616	Fuel for Power Purchased			
618	Chemicals	10,522		
620	Materials and Supplies	30,157		17,475
631	Contractual Services - Engineering			
632	Contractual Services - Accounting	23,650		
633	Contractual Services - Legal	32,720		
634	Contractual Services - Management Fees	18,000		
635	Contractual Services - Other	84,860		
641	Rental of Building/Real Property	45,000	34,800	
642	Rental of Equipment	9,010		
650	Transportation Expense	13,840		
656	Insurance - Vehicle	(295)		
657	Insurance - General Liability			
658	Insurance - Workmens Compensation	800		
659	Insurance - Other	1,608		
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Expenses - Other			
670	Bad Debt Expense	8,733		
675	Miscellaneous Expenses	13,582		
	Total Water Utility Expenses	\$ 472,123	\$ 63,089	\$ 17,475

**WATER EXPENSE ACCOUNT MATRIX**

<b>.3 WATER TREATMENT EXPENSES - OPERATIONS (f)</b>	<b>.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)</b>	<b>.5 TRANSMISSION &amp; DISTRIBUTION EXPENSES - OPERATIONS (h)</b>	<b>.6 TRANSMISSION &amp; DISTRIBUTION EXPENSES - MAINTENANCE (i)</b>	<b>.7 CUSTOMER ACCOUNTS EXPENSE (j)</b>	<b>.8 ADMINISTRATIVE &amp; GENERAL EXPENSES (k)</b>
\$ 25,951	\$	\$ 29,944	\$ 17,742	\$ 16,207	\$
					40,000
					21,803
7,847	2,675 427		2,237	1,362	8,656
					23,650
					32,720
					18,000
4,690				7,735	72,435
					10,200
			3,600		5,410
					13,840
					(295)
					800
					1,608
				8,733	
	5,309				8,273
\$ 38,488	\$ 8,411	\$ 29,944	\$ 23,579	\$ 34,037	\$ 257,100

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
December 31, 1998

**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 -----	2,110	2,087	400,162
461.2	Metered Sales to Commercial Customers -----	91	91	93,478
461.3	Metered Sales to Construction Customers -----			
461.4	Metered Sales to Public Authorities -----	3	3	1,481
461.5	Metered Sales to Multiple Family Dwellings -----	35	77	11,934
	<b>Total Metered Sales -----</b>	<b>2,239</b>	<b>2,258</b>	<b>507,055</b>
	<b>Fire Protection Revenue:</b>			
462.1	Public Fire Protection -----			
462.2	Private Fire Protection -----	1		
	<b>Total Fire Protection Revenue -----</b>	<b>1</b>		
464	Other Sales to Public Authorities -----			
465	Sales to Irrigation Customers -----			
466	Sales for Resale -----			
467	Interdepartmental Sales -----			
	<b>Totals -----</b>	<b>2,240</b>	<b>2,258</b>	<b>507,055</b>
	<b>Other Water Revenues:</b>			
469	Guarenteed Revenues -----			
470	Forfeited Discounts -----			
471	Miscellaneous Service Revenues -----			6,864
472	Rents From Water Property -----			
473	Interdepartmental Rents -----			
474	Other Water Revenues -----			
	<b>Total Other Water Revenue -----</b>			<b>6,864</b>
	<b>Total Water Operating Revenues -----</b>			<b>\$ 513,919</b>

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
**December 31, 1998**

**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, 1998

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 -----	12,227	705		705
305	Collecting and Impounding Reservoirs -----				
306	Lake, River and Other Intakes -----				
307	Wells and Springs -----	14,231	1,372		1,372
308	Infiltration Galleries and Tunnels -----				
309	Supply Mains -----	86,787	3,430		3,430
310	Power Generation Equipment -----				
311	Pumping Equipment -----	3,526	529		529
320	Water Treatment Equipment -----	7,033	281		281
330	Distribution Reservoirs and Standpipes -----	9,589	377		377
331	Transmission and Distribution Mains -----	75,513	3,878		3,878
333	Services -----	4,070	160		160
334	Meters and Meter Installations -----	35,450	1,913		1,913
335	Hydrants -----	1,905	86		86
339	Other Plant and Miscellaneous Equipment -----				
340	Office Furniture and Equipment -----	3,314			0
341	Transportation Equipment -----	68,617	280		280
342	Stores Equipment -----				
343	Tools, Shop and Garage Equipment -----	490			0
344	Laboratory Equipment -----				
345	Power Operated Equipment -----				
346	Communication Equipment -----				
347	Miscellaneous Equipment -----	35,095	3,964		3,964
348	Other Tangible Plant -----	62,507	2,457		2,457
	Total Depreciable Water Plant In Service -----	\$ 420,354	\$ 19,432	\$	\$ 19,432

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

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

<b>PLANT RETIRED (g)</b>	<b>ASSOCIATED SALVAGE AND INSURANCE (h)</b>	<b>ASSOCIATED COST OF REMOVAL (i)</b>	<b>OTHER CHARGES (j)</b>	<b>TOTAL CHARGES (g-h+i+j) (k)</b>	<b>BALANCE AT END OF YEAR (c+f-k) (l)</b>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	12,932
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	15,603
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	90,217
_____	_____	_____	_____	_____	4,055
_____	_____	_____	_____	_____	7,314
_____	_____	_____	_____	_____	9,966
_____	_____	_____	_____	_____	79,391
_____	_____	_____	_____	_____	4,230
_____	_____	_____	_____	_____	37,363
_____	_____	_____	_____	_____	1,991
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	3,314
_____	_____	_____	_____	_____	68,897
_____	_____	_____	_____	_____	490
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	39,059
_____	_____	_____	_____	_____	64,964
_____	_____	_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ align="right">439,786

**YEAR OF REPORT**  
December 31, 1998

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

**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		14,673		14,673	14,084
February		12,742		12,742	10,615
March		15,897	3,100	12,797	10,391
April	11	16,326	1,975	14,362	13,452
May		16,861		16,861	15,204
June	1	13,401	2,125	11,277	11,411
July	3,356	14,586		17,942	17,376
August		13,774	1,800	11,974	11,004
September		11,610		11,610	11,122
October		11,766		11,766	10,455
November		13,681	2,830	10,851	10,847
December		15,007	2,950	12,057	11,528
Total for year	3,368	170,324	14,780	158,912	147,489

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
Total feet of mains		147,425			147,425

**SERVICES AND METERS**

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	2,227	17		2,244
1"				
1 1/2"	7	1		8
2"	4	1		5
3"	1			1
4"				
6"	1	(1)		
8"				
Other (Specify): _____				
Total meters in service	2,240	18		2,258
Total meters in stock	19	1		20
Number of services in use	2,240	18		2,258

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

**YEAR OF REPORT**  
**December 31, 1998**

**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

**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
Yeilds 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, 1998

**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 _____ Type _____ Rated Horsepower _____	G.E. Electric			
<b>PUMPS:</b>				
Manufacturer _____ Type _____ Capacity in GPM _____ Average Number of Hours Operated Per Day _____ Auxiliary Power _____	G.E. Electric  4 None			

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

**YEAR OF REPORT**  
 December 31, 1998

**SOURCE OF SUPPLY**

List for each source of supply:			
Gallons per day of source _____	170,324	3,368	
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. 1,155
- 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

**YEAR OF REPORT**  
**December 31, 1998**

**CALCULON 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	2,244	2,244
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	8	40
2"	Displacement, Compound or Turbine	8.0	5	40
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	1	25
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		
<b>Total Water System Meter Equivalents</b> -----				<b>2,349</b>

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

$$\left( \frac{147,489,000}{\text{(total gallons sold)}} \right) / 365 \text{ days} / 350 \text{ gpd} = 1,155$$

**SEWER  
OPERATION  
SECTION**

UTILITY NAME: Forest Hills Utilities, Inc.

**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 _____	7,100	_____	_____
354	Structure and Improvements _____	5,914	_____	_____
360	Collection Sewers - Force _____	474,128	_____	_____
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 _____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____
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>655,710</b>	\$ _____	\$ _____

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



**SEWER UTILITY PLANT MATRIX**

	.1	.2	.3	.4	.5
CURRENT YEAR (f)	INTANGIBLE PLANT (g)	COLLECTION PLANT (h)	SYSTEM PUMPING PLANT (i)	TREATMENT AND DISPOSAL PLANT (j)	GENERAL PLANT (k)
\$	\$				
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	.2
			COLLECTION EXPENSES - OPERATIONS (d)	COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees	\$ 12,562	\$ 4,991	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders	15,000		
704	Employee Pensions and Benefits			
710	Purchased Sewage Treatment	227,180		
711	Sludge Removal Expense			
715	Purchased Power	4,084		
716	Fuel for Power Purchased			
718	Chemicals	317		
720	Materials and Supplies	9,015		100
731	Contractual Services - Engineering			
732	Contractual Services - Accounting	13,675		
733	Contractual Services - Legal	9,477		
734	Contractual Services - Management Fees	7,000		
735	Contractual Services - Other	5,037		
741	Rental of Building/Real Property	10,200		
742	Rental of Equipment	5,410		
750	Transportation Expense	8,041		
756	Insurance - Vehicle	2,537		
757	Insurance - General Liability			
758	Insurance - Workmens Compensation	800		
759	Insurance - Other	641		
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Expenses Other			
770	Bad Debt Expense	301		
775	Miscellaneous Expenses	8,344		53
	Total Sewer Utility Expenses	\$ 339,621	\$ 4,991	\$ 153

**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)
\$	\$ 4,991	\$	\$	\$ 1,730	\$ 850
					15,000
		227,180			
4,084					
		317			
	2,480				6,435
					13,675
					9,477
					7,000
					5,037
					10,200
					5,410
					8,041
					2,537
					800
					641
				301	
	55	5,074			3,162
\$ 4,084	\$ 7,526	\$ 232,571	\$	\$ 2,031	\$ 88,265

UTILITY NAME: Forest Hills Utilities, Inc.

**YEAR OF REPORT**  
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**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	Revenue From Public Authorities _____			_____
521.5	Multiple Family Dwelling Revenues _____			_____
521.6	Other Revenues _____			_____
	Total Flat Rate Revenues _____			_____
	Measured Revenues:			
522.1	Residential Revenues _____	1,027	992	285,276
522.2	Commercial Revenues _____	85	53	99,119
522.3	Industrial Revenues _____			_____
522.4	Revenues From Public Authorities _____	1	1	608
522.5	Multiple Family Dwelling Revenues _____	23	65	13,149
	Total Measured Revenues _____	1,136	1,111	398,152
523	Revenues From Public Authorities _____			_____
524	Revenues From Other Systems _____			_____
525	Interdepartmental Revenues _____			_____
	Totals _____	1,136	1,111	398,152
	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 _____			\$ 398,152

UTILITY NAME: Forest Hills Utilities, Inc.

**BASIS FOR SEWER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	40	%	2.50 %
360	Collection Sewers - Force	30	%	3.33 %
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 _____	3,485	148	_____	148
360	Collection Sewers - Force _____	157,425	13,552	_____	13,552
361	Collection Sewers - Gravity _____	_____	_____	_____	_____
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	35,576	1,511	_____	1,511
364	Flow Measuring Devices _____	_____	_____	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	31,364	2,541	_____	2,541
380	Treatment and Disposal Equipment _____	_____	_____	_____	_____
381	Plant Sewers _____	_____	_____	_____	_____
382	Outfall Sewer Lines _____	_____	_____	_____	_____
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 _____	\$ 234,327	\$ 17,752	\$ _____	\$ 17,752

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

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

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	3,633
_____	_____	_____	_____	_____	170,977
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	37,087
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	33,905
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	4,000
_____	_____	_____	_____	_____	2,477
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	\$ 252,079

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

Lift station number _____	7					
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 _____	1,111					
Beginning of year _____	1,136					
Added during year _____						
Retired during year _____	25					
End of year _____	1,111					
Give full particulars concerning inactive connections _____						
unoccupied residences _____	25					



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

**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	1,760	660	60		
Added during year _____						
Retired during year _____						
End of year _____	11,964	1,760	660	60		

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

**TREATMENT PLANT**

Manufacturer _____	Purchased sewage		
Type _____	Treatment from		
"Steel" or "Concrete" _____	Pacso County		
Total Capacity _____	N/A		
Average Daily Flow _____	193,715		
Effluent Disposal _____	N/A		
Total Gallons of Sewage Treated _____	70,706,000		

Note: Sewer plant out of operation 2/28/97; Sewer treatment purchased March through December

**MASTER LIFT STATION PUMPS**

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

**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. 704
- 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.

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

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

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	1,102	1,102
3/4"	Displacement	1.5		
1"	Displacement	2.5	1	3
1 1/2"	Displacement or Turbine	5.0	6	30
2"	Displacement, Compound or Turbine	8.0	1	8
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	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		
Total SEWER System Meter Equivalents -----				1,193

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

$$\left( \frac{70,706,000}{\text{(total gallons sold)}} \right) / 365 \text{ days} / 275 \text{ gpd} = \underline{704}$$