

CLASS "B"

WATER and/or SEWER UTILITIES

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

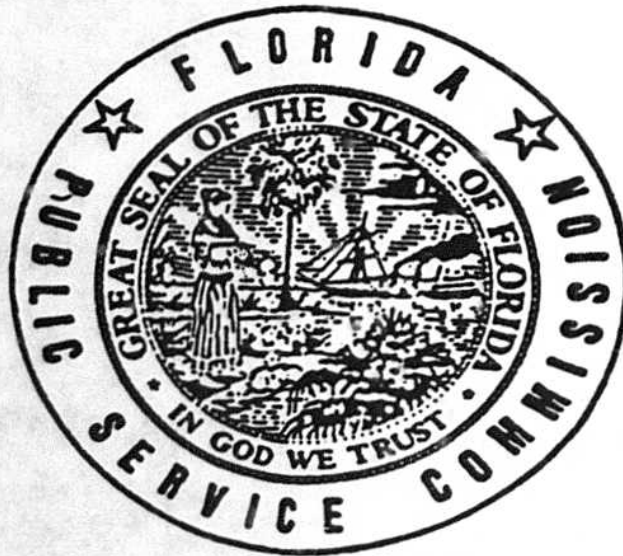
ANNUAL REPORT

OF

WS606
Continental Utility, Inc.
50 Continental Blvd.
Wildwood, FL 34785-

506-W & 440-S
Certificate Number(s)

OFFICIAL COPY
DIVISION OF
WATER AND SEWER
Do Not Remove from this Office



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MAR 31 1999

Florida Public Service Commission
Division of Water and Wastewater

ADMINISTRATION
MAIL ROOM

FOR THE 6 MAR 31 1999

YEAR ENDED DECEMBER 31, 19 98

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EXECUTIVE SUMMARY

CERTIFICATION OF ANNUAL REPORT

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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.

William J. Thompson

(Signature of Chief Executive Officer of the utility)

1. 2. 3. 4.

Mans Rowe

(Signature of Chief Financial Officer of the utility)

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

NOTICE:

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

ANNUAL REPORT OF

YEAR OF REPORT December 31, 1998
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CONTINENTAL UTILITY, INC. County: Sumter
 (Exact Name of Utility)

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

Continental Utility, Inc.
50 Continental Blvd.
Highway 44E
Wildwood, FL 34785
 Telephone: 352 748-0100

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

Mr. Bobby Hunt
Continental Utility, Inc.
50 Continental Blvd., Highway 44E, Wildwood, FL 34785
 Telephone: 352 748-0100

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

Continental Utility, Inc.
50 Continental Blvd.
Highway 44E
Wildwood, FL 34785
 Telephone: 352 748-0100

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

N/A

Date of original organization of the utility: 3-10-82

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

- Individual Partnership
 Sub S Corporation 1120 Corporation

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

	Name	Percent Ownership
1.	Continental Country Club R.O., Inc.	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1) & (2)	TITLE OR POSITION	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Bobby Hunt	General Manager	Continental Utility, Inc.	General Administration
George MacFarlane	Rate Consultant	Regulatory Consultants, Inc. Phone: (941) 371-8499	General Administration & Regulatory Issues
B. Kenneth Gatlin	Legal Counsel	Gatlin, Schiefelbein & Cowdery Phone: (850) 385-9996	Regulatory Issues

- (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: CONTINENTAL UTILITY, 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.

The predecessors to Continental Utility, Inc. began providing water and sewer service to its earliest customers in 1973. The Utility's service area is wholly within Sumter County, Florida. On January 13, 1987, the Sumter County Board of County Commissioners transferred jurisdiction over privately owned water and wastewater utilities to the Public Service Commission. On August 22, 1988, Continental Country Club, Inc. was granted water and wastewater certificates under the grandfathering provisions of Section 367.171, Florida Statutes. On September 19, 1989, Continental Country Club, Inc. transferred certificates 506-W and 440-S to Continental Utility, Inc. pursuant to Order No. 21910. Continental Utility, Inc. continues to provide water and wastewater service to approximately 800 mobile home units, a 104-unit master-metered condominium complex, a clubhouse, sales and maintenance offices and a pool. The company was last granted a water and wastewater rate increase on November 14, 1991, pursuant to Order No. 25347 as amended by Order Nos. 25347-A and 25347-3. Continental seeks to provide its customers with safe and efficient service meeting all applicable health, safety, and environmental standards at rates that adequately cover the cost of service and provide a fair return to Continental on its investment. Continental Country Club R.O., Inc., a resident owners corporation, owns 100% of the stock of Continental Utility, Inc. Presently, Continental Utility, Inc. is experiencing growth at less than 10 additional customers per year. In 1995, Continental negotiated settlement and consent orders with the Florida Department of Environmental Protection and the United States Environmental Protection Agency. As a result, Continental has changed their effluent disposal method by acquiring additional land and converting to a spray irrigation system and has stopped discharging effluent into the Chitty-Chatty Marsh.

UTILITY NAME:

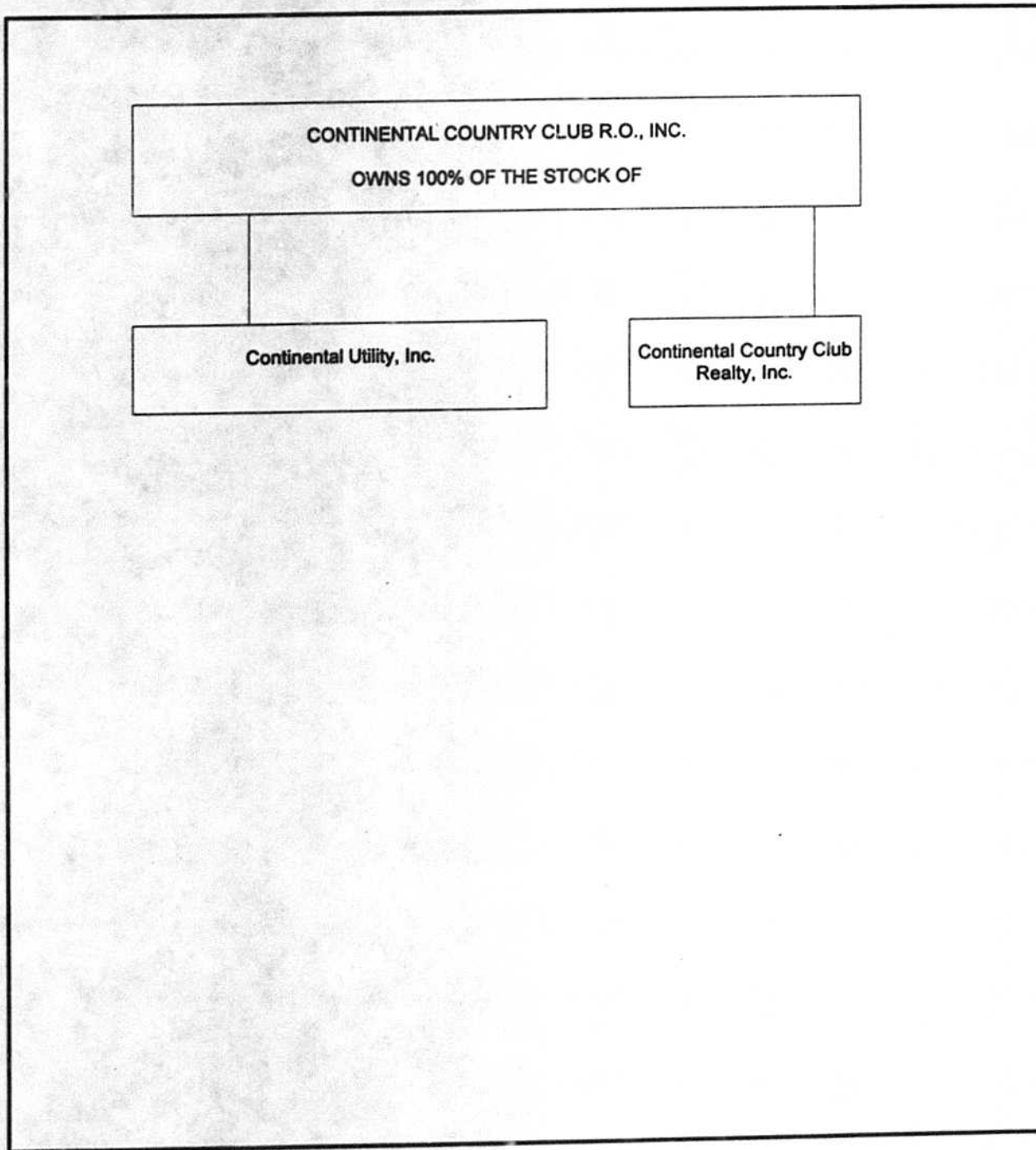
CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

PARENT/AFFILIATE ORGANIZATION CHART

Current as of 03-17-98

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



UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
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COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS COMPENSATION (d)
Ken Owens	President	As Needed	\$ None
William Thompson	Vice-President	As Needed	None
Charles Henegar	Secretary	As Needed	None
Walter Murphy	Treasurer	As Needed	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 MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
Ken Owens	Director	As Required (Note 1)	\$ None
Ray Gibson	Director	As Required (Note 1)	\$ None
William Thompson	Director	As Required (Note 1)	\$ None
Robert Nunes	Director	As Required (Note 1)	\$ None
Charles Henegar	Director	As Required (Note 1)	\$ None
Alex Marczek	Director	As Required (Note 1)	\$ None
Walter Murphy	Director	As Required (Note 1)	\$ None
William Harris	Director	As Required (Note 1)	\$ None
Nancy Ross	Director	As Required (Note 1)	\$ None

(Note 1) - There are at least 12 meetings held each year plus various special meetings as required.

UTILITY NAME:

CONTINENTAL UTILITY, 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)
N/A	N/A	\$ N/A	N/A

* 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:

CONTINENTAL UTILITY, INC.

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

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

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Ken Owens	President	Note 1	Note 2
William Thompson	Vice-President	Note 1	Note 2
Charles Henegar	Secretary	Note 1	Note 2
Walter Murphy	Treasurer	Note 1	Note 2

Note 1 - Holds the equivalent officer's position in Continental Country Club R.O., Inc. and Continental Country Club Realty

Note 2 - The Utility, R.O., Inc. and Realty, Inc. share the same business address.

UTILITY NAME: **CONTINENTAL UTILITY, INC.**

YEAR OF REPORT December 31, 1998
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BUSINESSES WHICH ARE A BY PRODUCT, COPRODUCT OR JOINT PRODUCT RESULT OF PROVIDING WATER OR WASTEWATER SERVICE

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
N/A	\$ N/A		\$ N/A		\$ N/A	

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
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BUSINESS TRANSACTIONS WITH RELATED PARTIES

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

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

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

2. Below are some types of transactions to include:

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

NAME OF COMPANY (a)	DESCRIPTION SERVICE AND/OR (b)	CONTRACT OR AGREEMENT (c)	ANNUAL CHARGES	
			(P)urchased (S)old (d)	(e)
Continental Country Club R.O., Inc.	Management Fees & Services	Fee Approved in Prior Rate Proceeding (Water & Sewer)	P	\$ 39,216
Continental Country Club R.O., Inc.	Park Maintenance Salaries Payroll Taxes Benefits	As Needed	S	35,556
			S	2,714
			S	5,922

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 reported. (column (c) - column (d)).
- (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

NAME OF COMPANY 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)
N/A	N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A

UTILITY NAME: **CONTINENTAL UTILITY, INC.**

YEAR OF REPORT
December 31, 1998

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)
PLANT (Intrastate Only) (000's Omitted):		
Plant in Service	\$ 1,119	\$ 1,718
Construction Work In Progress	0	0
Plant Acquisition Adjustment	72	56
Plant Held For Future Use	10	0
Materials and Supplies	0	0
Less:		
Accumulated Depreciation of UPIS	545	732
Accumulated Depreciation on Plant Held For Future Use	7	
Accumulated Amortization of CIAC	(77)	(192)
Contributions In Aid of Construction	155	325
Net Book Cost	<u>\$ 571</u>	<u>\$ 909</u>
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues	\$ 266	\$ 209
Depreciation and Amortization Expense	\$ 38	\$ 54
Income Tax Expense	0	0
Taxes Other Than Income	19	14
Other Operation Expenses	69	138
Total Operating Expenses	\$ 126	\$ 206
Net Operating Income	\$ 140	\$ 3
Other Income	\$ 0	\$ 0
Other Income Deductions	51	79
Net Income	<u>\$ 89</u>	<u>\$ (76)</u>
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average	861	861
Commercial - Yearly Average	16	15
Industrial - Yearly Average	0	0
Others - Yearly Average	0	0
Total	<u>877</u>	<u>876</u>
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons	83.5	83.5
Average Annual Residential Cost Per 1,000 Gallons	\$ 3.33	\$ 2.56
Average Residential Monthly Bill	\$ 23.22	\$ 17.79
Gross Plant Investment Per Customer	\$ 1.276	\$ 1.961

FINANCIAL SECTION

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	UTILITY PLANT			
101-106	Utility Plant	F-5	\$ 2,846,326	\$ 2,835,984
108-110	Less: Accumulated Depreciation and Amortization	F-6	1,284,147	1,181,499
	Net Plant		\$ 1,562,179	\$ 1,654,485
114-115	Utility Plant Acquisition adjustment (Net)	F-5	128,146	134,664
116	Other Utility Plant Adj.		0	0
	Total Net Utility Plant		\$ 1,690,325	\$ 1,789,149
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property	F-7	\$ 0	\$ 0
122	Less: Accumulated Depreciation and Amortization		0	0
	Net Nonutility Property		\$ 0	\$ 0
123	Investment In Associated Companies	F-8	0	0
124	Utility Investments	F-8	0	0
125	Other Investments	F-8	0	0
126-127	Special Funds	F-8	0	0
	Total Other Property & Investments		\$ 0	\$ 0
	CURRENT AND ACCRUED ASSETS			
131	Cash		\$ 1,844	\$ 6,173
132	Special Deposits	F-7	4,513	4,513
133	Other Special Deposits	F-7	0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-9	50,350	43,895
145	Accounts Receivable from Associated Companies	F-10	318,298	278,883
146	Notes Receivable from Associated Companies	F-10	291,812	292,641
151-153	Material and Supplies		638	638
161	Stores Expense		0	0
162	Prepayments	F-11	0	0
171	Accrued Interest and Dividends Receivable		0	0
172	Rents Receivable		0	0
173	Accrued Utility Revenues		0	0
174	Misc. Current and Accrued Assets			
	Total Current and Accrued Assets		\$ 667,455	\$ 626,743

UTILITY NAME: CONTINENTAL UTILITY, INC.

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COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)		REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense _____	F-12	\$ 3,322	\$ 9,016
182	Extraordinary Property Losses _____	F-12	0	0
186	Misc. Deferred Debits _____	F-11	52,519	51,822
190	Accumulated Deferred Income Taxes _____		0	0
	Total Deferred Debits _____		\$ 55,841	\$ 60,838
	TOTAL ASSETS AND OTHER DEBITS _____		\$ 2,413,621	\$ 2,476,730

NOTES TO THE BALANCE SHEET

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998
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COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	EQUITY CAPITAL			
201	Common Stock Issued _____	F-14	\$ 10,000	\$ 10,000
204	Preferred Stock Issued _____	F-14	0	0
211	Other Paid - In Capital _____		640,000	640,000
212	Discount On Capital Stock _____		0	0
213	Capital Stock Expense _____		0	0
214-215	Retained Earnings _____	F-15	(120,904)	(134,390)
216	Reacquired Capital Stock _____		0	0
218	Proprietary Capital (Proprietorship and Partnership Only) _____		0	0
	Total Equity Capital _____		\$ 529,096	\$ 515,610
	LONG TERM DEBT			
221	Bonds _____	F-16	0	0
223	Advances from Associated Companies _____	F-16	0	0
224	Other Long Term Debt _____	F-14	1,635,076	1,697,946
	Total Long Term Debt _____		\$ 1,635,076	\$ 1,697,946
	CURRENT AND ACCRUED LIABILITIES			
231	Accounts Payable _____		11,130	10,465
232	Notes Payable _____	F-13	0	0
233	Accounts Payable to Associated Companies _____	F-13	0	0
234	Notes Payable to Associated Companies _____	F-13	0	0
235	Customer Deposits _____		140	140
236	Accrued Taxes _____	F-17	21,355	20,663
237	Accrued Interest _____	F-18	6,636	10,375
238	Accrued Dividends _____		0	0
239	Matured Long Term Debt _____		0	0
240	Matured Interest _____		0	0
241	Miscellaneous Current & Accrued Liabilities _____	F-19	0	0
	Total Current & Accrued Liabilities _____		\$ 39,261	\$ 41,643

F-2(a)

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
	DEFERRED CREDITS			
251	Unamortized Premium On Debt _____	F-12	\$ 0	\$ 0
252	Advances For Construction _____	F-19	0	0
253	Other Deferred Credits _____		0	0
255	Accumulated Deferred Investment Tax Credits _____		0	0
	Total Deferred Credits _____		\$ 0	\$ 0
261	Property Insurance Reserve _____		\$ 0	\$ 0
262	Injuries & Damages Reserve _____		0	0
263	Pensions and Benefits Reserve _____		0	0
265	Miscellaneous Operating Reserves _____		0	0
	Total Operating Reserves _____		\$ 0	\$ 0
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction _____	F-20	\$ 479,536	\$ 473,416
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(269,348)	(251,885)
	Total Net C.I.A.C. _____		\$ 210,188	\$ 221,531
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____		\$ 0	\$ 0
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____		0	0
283	Accumulated Deferred Income Taxes - Other _____		0	0
	Total Accumulated Deferred Income Tax _____		\$ 0	\$ 0
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,413,621	\$ 2,476,730

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
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COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues _____	\$ 459,179	F-3(b)	\$ 474,562
401	Operating Expenses _____	\$ 203,530	F-3(b)	\$ 206,740
403	Depreciation Expense _____	84,928	F-6	102,648
406	Amortization of Utility Plant Acquisition Adjustment _____	6,518		6,518
403.1	Amortization Expense _____	0		(17,463)
408.1	Taxes Other Than Income _____	32,814	F-17	32,764
409.1	Income Taxes _____	0	F-17	0
410.10	Deferred Income Taxes _____	0		0
411.10	Provision for Deferred Income Taxes - Credit _____	0		0
412.10	Investment Tax Credits Deferred to Future Periods _____	0		0
412.11	Investment Tax Credits Restored to Operating Income _____	0		0
	Utility Operating Expenses _____	\$ 327,790		\$ 331,207
	Utility Operating Income _____	\$ 131,389		\$ 143,355
413	Income From Utility Plant Leased to others _____	0		0
414	Gains (losses) From Disposition of Utility Property _____	0		0
	Total Utility Operating Income [Enter here and on Page F-3(c)] _____	\$ 131,389		\$ 143,355

F-3(a)

UTILITY NAME: CONTINENTAL UTILITY, INC.

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COMPARATIVE OPERATING STATEMENT (Cont'd)

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	WASTEWATER (i)	OTHER (j)
W-3	\$ 265,787	S-3	\$ 208,775	\$
W-2	\$ 69,367	S-2	\$ 137,373	\$
F-6	39,592	F-6	63,056	
	3,650		2,868	
	(5,019)		(12,444)	
F-17	18,542	F-17	14,222	
F-17		F-17		
	0		0	
	0		0	
	0		0	
	0		0	
	\$ 126,132		\$ 205,075	\$
	\$ 139,655		\$ 3,700	\$
	0		0	
	0		0	
	\$ 139,655		\$ 3,700	\$

F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)
	Total Utility Operating Income [from page F-3(a)]	\$ 131,389		\$ 143,355
	OTHER INCOME AND DEDUCTIONS			
415	Revenues-Merchandising, Jobbing, and Contract Deductions	\$ 0		\$ 0
416	Costs & Expenses of Merchandising Jobbing, and Contract Work	0		0
419	Interest and Dividend Income	0		0
420	Allowance for Funds Used During Construction	0		0
421	Nonutility Income	0		0
426	Miscellaneous Nonutility Expenses	0		(1,240)
	Total Other Income and Deductions	\$		\$ (1,240)
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$ 0	F-17	\$ 0
409.20	Income Taxes	0	F-17	0
410.20	Provision for Deferred Income Taxes	0		0
411.20	Provision for Deferred Income Taxes - Credit	0		0
412.20	Investment Tax Credits - Net	0		0
412.30	Investment Tax Credits Restored to Operating Income	0		0
	Total Taxes Applicable To Other Income	\$ 0		\$ 0
	INTEREST EXPENSE			
427	Interest Expense	\$ 130,276	F-18	\$ 122,935
428	Amortization of Debt Discount & Expense	5,694	F-12	5,694
429	Amortization of Premium on Debt	0	F-12	0
	Total Interest Expense	\$ 135,970		\$ 128,629
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$ 0		\$ 0
434	Extraordinary Deductions	0		0
409.30	Income Taxes, Extraordinary Items	0		0
	Total Extraordinary Items	\$ 0		\$ 0
	NET INCOME	\$ (4,581)		\$ 13,486

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service _____	F-5	\$ 1,118,729	\$ 1,717,598
	Less:			
	Nonused and Useful Plant (1) _____		3,919	78,691
108	Accumulated Depreciation _____	F-6	537,424 (4)	731,903
110	Accumulated Amortization _____	F-6		
271	Contributions In Aid of Construction _____	F-20	154,656	324,880
252	Advances for Construction _____	F-19	0	0
	Subtotal _____		\$ 422,730	\$ 582,124
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	77,481	191,867
	Subtotal _____		\$ 500,211	\$ 773,991
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5	0	0
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5	0	0
	Working Capital Allowance (3) _____		8,671	17,172
	Other (Specify): _____ _____ _____			
	RATE BASE (4) _____		\$ 508,882	\$ 791,163
	UTILITY OPERATING INCOME _____		\$ 139,655	\$ 3,700
	ACHIEVED RATE OF RETURN _____		27.44%	0.47%

NOTES:

- (1) Estimate if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Estimated at one-eighth of operation and maintenance expenses.
- (4) Accumulated Depreciation-Water shown above is \$7,410 less than Accumulated Depreciation-Water shown on page F-6. This difference is the current Accumulated Depreciation for Assets Held for Future Use. This amount is not reflected above because it applies to Assets Held for Future Use.

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

UTILITY PLANT (ACCTS. 101-106)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
	Plant Accounts:				
101	Utility Plant In Service _	\$ 1,118,728	\$ 1,717,598	\$ _____	\$ 2,836,326
102	Utility Plant Leased to Others _____	0	0	_____	_____
103	Property Held for Future Use _____	10,000	0	_____	10,000
104	Utility Plant Purchased or Sold _____	0	0	_____	_____
105	Construction Work in Progress _____	0	0	_____	_____
	Total Utility Plant ___	\$ 1,128,728	\$ 1,717,598	\$ _____	\$ 2,846,326

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

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

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACQUISITION ADJUSTMENTS (114):				
	\$ 105,827	\$ 83,149	\$ _____	\$ 188,976
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Plant Acquisition Adjs. _____	\$ 105,827	\$ 83,149	\$ _____	\$ 188,976
ACCUMULATED AMORTIZATION (115):				
	\$ 34,065	\$ 26,765	\$ _____	\$ 60,830
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Accumulated Amortization ___	\$ 34,065	\$ 26,765	\$ _____	\$ 60,830
Net Acquisition Adjustments _____	\$ 71,762	\$ 56,384	\$ _____	\$ 128,146

UTILITY NAME: CONTINENTAL UTILITY, INC.
ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION NO. (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year _____	\$ 512,652	\$ 668,847	\$ _____	\$ 1,181,499
Credit during year:				
Accruals charged to Account 108	\$ 39,249	\$ 63,056	\$ _____	\$ 102,305
Other Accounts (specify) _____				
Accruals for Plant Held for Future Use	343			343
Salvage _____				
Other Credits (Specify) _____				
Total Credits _____	\$ 39,592	\$ 63,056	\$ _____	\$ 102,648
Debits during year:				
Book cost of plant retired _____				
Cost of removal _____				
Other Debits (specify) _____				
Total Debits _____	\$ 0	\$ 0	\$ _____	\$ _____
Balance end of year _____	\$ 552,244	\$ 731,903	\$ _____	\$ 1,284,147

ACCUMULATED AMORTIZATION (ACCT. 110)

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

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123-127)

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

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

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

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.	
DESCRIPTION (a)	TOTAL (b)
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141):	
Water _____	\$ 27,687
Wastewater _____	22,663
Other _____	
Total Customer Accounts Receivable _____	\$ 50,350
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
_____	\$ _____

Total Other Accounts Receivable _____	\$ _____
NOTES RECEIVABLE (Acct. 144):	
N/A _____	\$ _____

Total Notes Receivable _____	\$ _____
Total Accounts and Notes Receivable _____	\$ 50,350
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143)	
Balance first of year _____	\$ N/A
Add: Provision for uncollectibles for current year _____	\$ _____
Collection of accounts previously written off _____	
Utility Accounts _____	N/A
Others _____	
Total Additions _____	\$ _____
Deduct accounts written off during year:	
Utility Accounts _____	N/A
Others _____	
Total accounts written off _____	\$ _____
Balance end of year _____	\$ 0
Total Accounts and Notes Receivable - Net _____	\$ 50,350

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998
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ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.	
DESCRIPTION (a)	TOTAL (b)
Accounts Receivable - Associated Companies	\$ 318,298
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total _____	\$ 318,298

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
Stock Subscriptions Receivable	0.00%	\$ 291,812
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total _____	_____	\$ 291,812

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ N/A
Prepaid Rents _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____	_____
_____	_____
Total Prepayments _____	\$ <u>0</u>

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
Deferred Rate Case Expense (Acct. 186.1) _____	\$ 0
Other Deferred Debits (Acct. 186.2) _____	52,519
Total Miscellaneous Deferred Debits _____	\$ <u>52,519</u>

UTILITY NAME: **CONTINENTAL UTILITY, INC.**

YEAR OF REPORT
December 31, 1998

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

Report the net discount and expense or premium separately for each security issue.		
DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (ACCT. 181):		
Beginning Balance - \$ 8,830 (Initial Loan)	\$ _____	\$ _____
1996 Additions - 9,152 (Refinanced Previous Loan)	_____	_____
Total Loan Costs - 17,982 (Before Amortization)	5,694	3,322
Accum. Amort. - (14,660)	_____	_____
Beg. Balance 1998- \$3,322	_____	_____
Total Unamortized Debt Discount and Expense _____	\$ 5,694	\$ 3,322
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:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

NOTES PAYABLE (ACCTS. 232 & 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE: N/A _____ _____ _____ _____ _____ Total Account 232 _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ \$ _____
ACCOUNT 234 - NOTES PAYABLE TO ASSOC. COMPANIES: N/A _____ _____ _____ _____ _____ Total Account 234 _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ \$ _____

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share. 2. Show separately the state and federal income tax effect of items shown in Account No. 439.		
ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance Beginning of Year - Accumulated Deficit _____	\$ (134,390)
	Changes to Account:	
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits: _____	\$ 0

	Total Credits: _____	\$ 0
	Debits: _____	\$

	Total Debits: _____	\$ 0
435	Balance Transferred from Income _____	\$ 13,486
436	Appropriations of Retained Earnings:	

	Total Appropriations of Retained Earnings _____	\$ 0
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	
438	Common Stock Dividends Declared _____	
	Total Dividends Declared _____	\$ 0
	Year end Balance _____	\$ (120,904)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	N/A _____	0

	Total Appropriated Retained Earnings _____	\$ 0
	Total Accumulated Deficit _____	\$ (120,904)
Notes to Statement of Retained Earnings:		

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

ACCRUED TAXES (ACCT. 236)

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year ___	\$ 11,362	\$ 9,301	\$	\$ 20,663
	Accruals Charged:				
408.10	Utility Regulatory Assessment Fees ___	\$ 11,960	\$ 9,395	\$	\$ 21,355
408.11	Property Taxes _____	6,112	4,357		10,469
408.12	Payroll Taxes _____	470	470		940
408.13	Other Taxes & Licenses _	0	0		
409.10	Federal Income Taxes ___	0	0		
409.11	State Income Taxes ___	0	0		0
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____	0	0		0
	Total Taxes Accrued ___	\$ 18,542	\$ 14,222	\$	\$ 32,764
	Taxes Paid During Year:				
408.10	Utility Regulatory Assessment Fees ___	\$ 11,362	\$ 9,301	\$	\$ 20,663
408.11	Property Taxes _____	6,112	4,357		10,469
408.12	Payroll Taxes _____	470	470		940
408.13	Other Taxes & Licenses _	0	0		
409.10	Federal Income Taxes ___	0	0		0
409.11	State Income Taxes ___	0	0		0
	Taxes Applicable to other Income (Accts. 408.2, 409.2, 409.3, 410.2) _	0	0		0
	Total Taxes Paid ___	\$ 17,944	\$ 14,128	\$	\$ 32,072
	Balance End of Year ___	\$ 11,960	\$ 9,395	\$	\$ 21,355

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBIT (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:					
Barnett Bank Loan	\$ 6,864		\$ 101,074	\$ 106,764	\$ 1,174
Barnett Bank Loan-Land	3,511		46,709	44,758	5,462
Stock Sub. Rec. Interest	N/A		(24,848)	(24,848)	0
Used as a credit/recorded thru inter-company a/c					
Total Account No. 237.1	\$ 10,375		\$ 122,935	\$ 126,674	\$ 6,636
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities:					
	\$		\$	\$	\$ 0
Total Account No. 237.2	\$		\$	\$	\$
Total Account No. 237	\$ 10,375		\$ 122,935	\$ 126,674	\$ 6,636

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED ACCOUNT NO. 186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Rate Case Expense-Water	\$ 0	\$ 0	666	\$ 0
Rate Case Expense-Sewer	0	0	766	0
Total	\$	\$		\$ 0

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

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

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

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year -----		\$ 13,486
Reconciling items for the year:		
Taxable income not reported on books:		0
_____		_____
_____		_____
_____		_____
Deductions recorded on books not deducted for return:		0
_____		_____
_____		_____
_____		_____
Income recorded on books not included in return:		0
_____		_____
_____		_____
_____		_____
Deduction on return not charged against book income:		0
_____		_____
_____		_____
Federal tax net income -----		\$ 13,486
Computation of tax:		
State Tax		0
Federal Tax @ 15%		0
		\$ 0

NOTE: The Consolidated 1997 Corporate Income Tax Return for Continental Country Club R.O., Inc. (the Parent) was filed on 9/15/98. Continental Utility, Inc.'s income and expense information is included as part of the Consolidated Return. Continental Utility's information is included in the Consolidated Return in the same manner as it is reflected in the regulatory books.

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

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

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

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

APPROVED AFUDC RATE

Current Commission Approved AFUDC rate:	_____ 0.00%
Commission order approving AFUDC rate:	_____ N/A

WATER OPERATION SECTION

UTILITY NAME:

CONTINENTAL UTILITY, INC.YEAR OF REPORT
December 31, 1998

WATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	PREVIOUS YEAR	ADDITIONS	RETIREMENTS
(a)	(b)	(c)	(d)	(e)
301	Organization	\$ 0	\$	\$
302	Franchises	8,472		
303	Land and Land Rights	2,000		
304	Structures and Improvements	76,632		
305	Collecting and Impounding Reservoirs	0		
306	Lake, River and Other Intakes			
307	Wells and Springs	41,970		
308	Infiltration Galleries and Tunnels	0		
309	Supply Mains	0		
310	Power Generation Equipment	45,043		
311	Pumping Equipment	105,733		
320	Water Treatment Equipment	37,710	1,509	
330	Distribution Reservoirs and Standpipes	173,600		
331	Transmission and Distribution Mains	464,279		
333	Services	0		
334	Meters and Meter Installations	135,500		
335	Hydrants	20,540		
339	Other Plant and Miscellaneous Equipment	5,741		
340	Office Furniture and Equipment	0		
341	Transportation Equipment	0		
342	Stores Equipment	0		
343	Tools, Shop and Garage Equip.	0		
344	Laboratory Equipment	0		
345	Power Operated Equipment	0		
346	Communication Equipment	0		
347	Miscellaneous Equipment	0		
348	Other Tangible Plant	0		
	Total Water Plant	\$ 1,117,220	\$ 1,509	\$

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

WATER UTILITY PLANT MATRIX					
CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. SOURCE OF SUPPLY AND PUMPING PLANT (h)	3. WATER TREATMENT PLANT (i)	4. TRANSMISSION AND DISTRIBUTION PLANT (j)	5. GENERAL PLANT (k)
\$ 0	\$ 8,472	\$	\$	\$	\$
8,472	8,472				
2,000			2,000		
76,632		64,371	12,261		
0					
41,970		41,970			
0					
0					
45,043		45,043			
105,733		105,733			
39,218			39,218		
173,600				173,600	
464,279				464,279	
0					
135,500				135,500	
20,540				20,540	
5,741		1,213	224	4,304	
0					
0					
0					
0					
0					
0					
0					
0					
0					
0					
\$ 1,118,728	\$ 8,472	\$ 258,330	\$ 53,703	\$ 798,223	\$

W-1(b)

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT

December 31, 1998

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1.	2.
			SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
(a)	(b)	(c)	(d)	(e)
601	Salaries and Wages - Employees	\$ 6,106	\$	\$
603	Salaries and Wages - Officers, Directors, and Majority Stockholders			
604	Employee Pensions and Benefits	1,377		
610	Purchased Water			
615	Purchased Power	6,067	6,067	
616	Fuel for Power Purchased			
618	Chemicals	2,296		
620	Materials and Supplies	737		
631	Contractual Services-Engineering	118		
632	Contractual Services - Accounting	7,842		
633	Contractual Services - Legal			
634	Contractual Services - Mgt. Fees	19,608		
635	Contractual Services - Other	24,404		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	813		
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workman's Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Expenses -Other			
670	Bad Debt Expense			
675	Miscellaneous Expenses			
	Total Water Utility Expenses	\$ 69,368	\$ 6,067	\$

W-2(a)

UTILITY NAME:

CONTINENTAL UTILITY, INC.YEAR OF REPORT
December 31, 1998

WATER OPERATING REVENUE

ACCT. NO.	DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	AMOUNT
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
460	Unmetered Water Revenue			\$ _____
	Metered Water Revenue:			
461.1	Sales to Residential Customers	857	861	239,881
461.2	Sales to Commercial Customers	16	16	22,570
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
	Total Metered Sales	873	877	\$ 262,451
	Fire Protection Revenue:			
462.1	Public Fire Protection			
462.2	Private Fire Protection	3	3	3,336
	Total Fire Protection Revenue	3 *	3	\$ 3,336
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Totals	876	880	\$ 265,787
	Other Water Revenues:			
469	Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ _____
	Total Water Operating Revenues			\$ 265,787

* Private Fire Protection Customers are also charged as regular commercial customers.

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998
--

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO.	ACCOUNT NAME	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE IN PERCENT	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c
(a)	(b)	(c)	(d)	(e)
304	Structures and Improvements	28		3.57%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains			
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	10		10.00%
330	Distribution Reservoirs and Standpipes	40		2.50%
331	Transmission and Distribution Mains	43		2.33%
333	Services			
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
339	Other Plant Miscellaneous Equipment			
340	Office Furniture and Equip.			
341	Transportation Equipment			
342	Stores Equipment			
343	Office Furniture and Equip.			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	10		10.00%
	Franchises	20		5.00%
	Water Plant Composite Depreciation Rate *			

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	BALANCE AT BEGINNING OF YEAR	ACCRUALS	OTHER CREDITS *	TOTAL CREDITS (d + e)
(a)	(b)	(c)	(d)	(e)	(f)
304	Structures and Improvements	\$ 22,794	\$ 2,716	\$	\$ 2,716
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	27,815	1,503		1,503
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment	18,860	2,252		2,252
311	Pumping Equipment	42,566	5,565		5,565
320	Water Treatment Equipment	29,761	3,846		3,846
330	Distribution Reservoirs and Standpipes	56,421	4,340		4,340
331	Transmission and Distribution Mains	220,550	10,797		10,797
333	Services				
334	Meters and Meter Installations	70,057	6,775		6,775
335	Hydrants	7,893	456		456
339	Other Plant and Miscellaneous Equipment	4,630	574		574
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop and Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Franchises	4,239	425		425
	Assets Held for Future Use	7,065	343		343
	Total Depreciable Water Plant In Service	\$ 512,652	\$ 39,592	\$	\$ 39,592

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

UTILITY NAME:
UTILITY SYSTEM

CONTINENTAL UTILITY, INC.
CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

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	0	5,375	478 *	4,897	4,341
February	0	4,972	478 *	4,494	4,293
March	0	6,164	481	5,683	3,905
April	0	8,900	411	8,489	7,131
May	0	6,900	438	6,462	7,999
June	0	8,111	563	7,548	8,716
July	0	9,323	441	8,882	9,291
August	0	8,767	530	8,237	6,373
September	0	7,128	460	6,668	5,601
October	0	9,079	523	8,556	5,176
November	0	9,233	354	8,879	8,696
December	0	7,632	574	7,058	6,591
Total for year	0	91,584	5,731	85,853	78,113

If water is purchased for resale, indicate the following:

Vendor: N/A
Point of delivery N/A

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

N/A

* Continental Utility, Inc. failed to read the water meter at the wastewater treatment plant in January and February 1998. The 478 shown for January & February 1998 was the monthly average of the actual metered usage used during that time.

UTILITY NAME: CONTINENTAL UTILITY, INC.
 UTILITY SYSTEM: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
 December 31, 1998

WATER TREATMENT PLANT INFORMATION

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

LIME TREATMENT

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

FILTRATION

Type and area:

Pressure → Square Feet: N/A
 Gravity → GPM/Square Feet: N/A

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	8"	14,200			14,200
PVC	6"	28,215			28,215
PVC	4"	7,700			7,700
PVC	2"	16,154			16,154
PVC	3/4"	18,921			18,921
Total feet of mains		85,190			85,190

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	870	4	0	874
1"				1
2"	1			1
3"	1			
4"				
6"	1			1
8"				
Other (Specify): _____				
Total meters in service	873	4		877
Total meters in stock				
Number of services in use	873	4		877

UTILITY NAME: **CONTINENTAL UTILITY, INC.**
 UTILITY SYSTEM: **NONA**

YEAR OF REPORT
 December 31, 1998

WELLS AND WELL PUMPS

(a)	WELL #1 (b) NOTE #1	WELL #2 (c)	WELL #3 (d) NOTE #2	WELL #4 (e)
Year Constructed _____	1973	1973	1973	1974
Types of Well Construction and Casing _____	Unknown	Unknown	Unknown	Unknown
Depth of Wells _____	500 ft.	555 ft.	600 ft.	500 ft.
Diameters of Wells _____	8"	8"	10"	8"
Pump - GPM _____	150 GPM	500 GPM	1,806 GPM	500 GPM
Motor - HP _____	10HP	30 HP	75 HP	25 HP
Yields of Wells in GPD _____	158,400	480,000	172,800	480,000
Auxiliary Power _____				Cummins Gen. 400 AMP

NOTE #1 - Not connected to potable water. System used strictly for irrigation.
 NOTE #2 - Well has less potable water capacity due to required CL2 retention time in conjunction with size or storage tank.

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic) _____	Steel	Steel	Steel	
Capacity of Tank _____	15,000 gal.	5,000 gal.	100,000 gal.	
Ground or Elevated _____	Ground	Ground	Elevated	

HIGH SERVICE PUMPING - N/A

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

UTILITY NAME: CONTINENTAL UTILITY, INC.
 UTILITY SYSTEM: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
 December 31, 1998

SOURCE OF SUPPLY

List for each source of supply:				
	WELL #1	WELL #2	WELL #3	WELL #4
Gallons per day of source _____	Held for Future Use	480,000	172,800	480,000
Type of source _____	_____	Well	Well	Well

WATER TREATMENT FACILITIES

List for each water treatment facility:				
	WELL #1	WELL #2	WELL #3	WELL #4
Type _____	Held for Future Use	Disinfection	Disinfection	Disinfection
Make _____	_____	Hydro	Hydro	Hydro
Gallons per day Capacity _____	_____	480,000	172,800	480,000
Method of measurement _____	_____	Wtr. Specialty	Wtr. Specialty	Wtr. Specialty
		6" Flow Meter	6" Flow Meter	6" 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 * the system can efficiently serve.
950 ERC's
- Estimated annual increase in ERC's *.
Less than 10 ERC's
- List fire fighting facilities and capacities.
100,000 gallon water storage sphere
- List percent of certificated areas where service connections are installed (total for each county).
80%
- What is the current need for system upgrading and/or expansion?
None
- What are plans for future system upgrading and/or expansion?
None
- Have questions 5 and 6 been discussed with an engineer? (if so, state name and address)
No
- Have questions 5 and 6 been discussed with the appropriate state sanitary engineering office?
No

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

UTILITY NAME:
SYSTEM NAME:

CONTINENTAL UTILITY, INC.
CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	874	874
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	1	8
3"	Displacement	15.0	1	15
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 Water System Meter Equivalents -----				947

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{78,113,000}{\text{(total gallons sold)}} / 365 \text{ days} \right) / 350 \text{ gpd} = 611$$

WASTEWATER OPERATION SECTION

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	PREVIOUS YEAR	ADDITIONS	RETIREMENTS
(a)	(b)	(c)	(d)	(e)
351	Organization _____	\$ _____	\$ _____	\$ _____
352	Franchises _____	8,472		
353	Land and Land Rights _____	229,908	3,500	
354	Structures and Improvements _____	5,602	1,306	
360	Collection Sewers - Force _____			
361	Collection Sewers - Gravity _____	722,377		
362	Special Collecting Structures _____			
363	Services to Customers _____			
364	Flow Measuring Devices _____			
365	Flow Measuring Installations _____			
370	Receiving Wells _____			
371	Pumping Equipment _____	108,696	4,028	
380	Treatment and Disposal Equip. _____	632,898		
381	Plant Sewers _____			
382	Outfall Sewer Lines _____			
389	Other Plant and Miscellaneous Equipment _____	811		
390	Office Furniture and Equipment _____			
391	Transportation Equipment _____			
392	Stores Equipment _____			
393	Tools, Shop and Garage Equip. _____			
394	Laboratory Equipment _____			
395	Power Operated Equipment _____			
396	Communication Equipment _____			
397	Miscellaneous Equipment _____			
398	Other Tangible Plant _____			
	Total Wastewater Plant _____	\$ 1,708,764	\$ 8,834	\$ _____

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

WASTEWATER UTILITY PLANT MATRIX

CURRENT YEAR (f)	1. INTANGIBLE PLANT (g)	2. COLLECTION PLANT (h)	3. SYSTEM PUMPING PLANT (i)	4. TREATMENT AND DISPOSAL (j)	5. GENERAL PLANT (k)
\$ 0	\$ 8,472	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
8,472	8,472	[REDACTED]	[REDACTED]	233,408	[REDACTED]
233,408	[REDACTED]	[REDACTED]	425	6,483	[REDACTED]
6,908	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
722,377	[REDACTED]	722,377	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
112,724	[REDACTED]	[REDACTED]	112,724	[REDACTED]	[REDACTED]
632,898	[REDACTED]	[REDACTED]	[REDACTED]	632,898	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
811	[REDACTED]	[REDACTED]	[REDACTED]	811	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
\$ 1,717,598	\$ 8,472	\$ 722,377	\$ 113,149	\$ 873,600	\$ [REDACTED]

S-1(b)

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	1.	2.
			COLLECTION EXPENSES- OPERATIONS	COLLECTION EXPENSES- MAINTENANCE
(a)	(b)	(c)	(d)	(e)
701	Salaries and Wages - Employees	\$ 6,105	\$ 2,277	\$
703	Salaries and Wages - Officers, Directors, and Majority Stockholders			
704	Employee Pensions and Benefits	907	338	
710	Purchased Sewage Treatment			
711	Sludge Removal Expense	20,200		
715	Purchased Power	23,130		
716	Fuel for Power Purchased			
718	Chemicals	2,299		
720	Materials and Supplies	2,544		
731	Contractual Services-Engineering	4,891		
732	Contractual Services - Accounting	7,842		
733	Contractual Services - Legal	5,224		
734	Contractual Services - Mgt. Fees	19,608		
735	Contractual Services - Other	44,230		804
741	Rental of Building/Real Property			
742	Rental of Equipment			
750	Transportation Expenses	394	212	
756	Insurance - Vehicle			
757	Insurance - General Liability			
758	Insurance - Workman's Comp.			
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			
	Total Wastewater Utility Expenses	\$ 137,374	\$ 2,827	\$ 804

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998
--

WASTEWATER OPERATING REVENUE

ACCT. NO.	DESCRIPTION	BEGINNING YEAR NO. CUSTOMERS	YEAR END NUMBER OF CUSTOMERS	AMOUNTS
(a)	(b)	(c)	(d)	(e)
	Operating Revenues:			
521.1	Residential Revenues_____	_____	_____	\$ _____
521.2	Commercial Revenues_____	_____	_____	_____
521.4	Revenues From Public Auth._____	_____	_____	_____
521.5	Multiple Family Dwelling Rev._____	_____	_____	_____
521.6	Other Revenues_____	_____	_____	_____
	Total Flat Rate Revenues	_____	_____	\$ _____
	Measured Revenues:			
522.1	Residential Revenues_____	857	861	183,834
522.2	Commercial Revenues_____	15	15	24,941
522.3	Industrial Revenues_____	_____	_____	_____
		_____	_____	_____
522.4	Rev. From Public Authorities_____	_____	_____	_____
522.5	Multiple Family Dwelling Rev._____	_____	_____	_____
	Total Measured Revenues	872	876	\$ 208,775
523	Revenues From Public Authorities_____	_____	_____	_____
524	Revenues From Other Systems_____	_____	_____	_____
		_____	_____	_____
	Totals_____	872	876	\$ 208,775
	Other Wastewater Revenues:			
530	Guaranteed Revenues_____	_____	_____	\$ _____
531	Sale of Sludge_____	_____	_____	_____
532	Forfeited Discounts_____	_____	_____	_____
534	Rents From Wastewater Property_____	_____	_____	_____
535	Interdepartmental Rents_____	_____	_____	_____
536	Other Wastewater Revenues_____	_____	_____	_____
	Total Other Wastewater Revenues_____	_____	_____	\$ _____
	Total Wastewater Operating Revenues_____	_____	_____	\$ 208,775

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998
--

BASIS FOR WASTEWATER DEPRECIATION CHARGES

ACCT. NO.	ACCOUNT NAME	AVERAGE SERVICE LIFE IN YEARS	AVERAGE NET SALVAGE IN PERCENT	DEPRECIATION RATE APPLIED IN PERCENT (100% - D) / C
(a)	(b)	(c)	(d)	(e)
354	Structures and Improvements	30.30		3.30%
360	Collection Sewers - Force			
361	Collection Sewers - Gravity	44.84		2.23%
362	Special Collection Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
371	Pumping Equipment	25.00		4.00%
380	Treatment & Disposal Equip.	18.00		5.56%
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment	16.00		6.25%
390	Office Furniture & Equipment			
391	Transportation Equipment			
392	Stores Equipment			
393	Tools, Shop & Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
396	Communication Equipment			
397	Miscellaneous Equipment			
398	Other Tangible plant Franchises	20.00		5.00%
	Wastewater Plant Composite Depreciation Rate *			

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT December 31, 1998

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME	BALANCE AT BEGINNING OF YEAR	ACCRUALS	OTHER CREDITS *	TOTAL CREDITS (d + e)
(a)	(b)	(c)	(d)	(e)	(f)
354	Structures and Improvements	\$ 527	\$ 206	\$	\$ 206
360	Collection Sewers - Force				
361	Collection Sewers - Gravity	419,065	16,143		16,143
362	Special Collecting Structures				
363	Services to Customers				
364	Flow Measuring Devices				
365	Flow Measuring Installations				
370	Receiving Wells				
371	Pumping Equipment	67,522	4,545		4,545
380	Treatment and Disposal Equip.	177,035	41,688		41,688
382	Outfall Sewer Lines				
389	Other Plant and Miscellaneous				
390	Office Furniture and Equipment	463	50		50
391	Transportation Equipment				
392	Stores Equipment				
394	Laboratory Equipment				
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment				
398	Other Tangible Plant				
	Franchises	4,235	424		424
	Total Wastewater Accumulated Depreciation	\$ 668,847	\$ 63,056	\$	\$ 63,056

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

UTILITY NAME: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

ANALYSIS OF ENTRIES IN WASTEWATER 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)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 733
_____	_____	_____	_____	_____	435,208
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	72,067
_____	_____	_____	_____	_____	218,723
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	513
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	4,659
_____	_____	_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 731,903

UTILITY NAME: CONTINENTAL UTILITY, INC.
 UTILITY SYSTEM: CONTINENTAL UTILITY, INC.

YEAR OF REPORT
 December 31, 1998

COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	12"	10"	8"	6"	_____	_____
Type of main _____	PVC	PVC	PVC	PVC	_____	_____
Length of main (nearest foot):						
Beginning of year _____	3,041	22,085	20,412	11,724	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	3,041	22,085	20,412	11,724	_____	_____
MANHOLES:						
Size _____	4'	_____	_____	_____	_____	_____
Type _____	Precast	_____	_____	_____	_____	_____
Number:						
Beginning of year _____	158	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	158	_____	_____	_____	_____	_____

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	3"	4"	_____	_____	_____	_____
Type of main _____	PVC	PVC	_____	_____	_____	_____
Length of main (nearest foot):						
Beginning of year _____	1,175	18,089	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	1,175	18,089	_____	_____	_____	_____

UTILITY NAME: CONTINENTAL UTILITY, INC.
UTILITY SYSTEM: CONTINENTAL UTILITY, INC.

TREATMENT PLANT

Manufacturer _____	<u>Davco</u>	_____	_____	_____
Type _____	<u>Contact Stabilization</u>	_____	_____	_____
"Steel or "Concrete" _____	<u>Ring Steel</u>	_____	_____	_____
Total Capacity _____	<u>400,000 GPD</u>	_____	_____	_____
Average Daily Flow _____	<u>123,732 GPD</u>	_____	_____	_____
Effluent Disposal _____	<u>Pond & Spray Irrigation (200,000 GPD capacity)</u>	_____	_____	_____
Total Gallons of Sewage Treated _____	<u>45,162,000</u>	_____	_____	_____

MASTER LIFT STATION PUMPS

Manufacturer _____	<u>4 s #4 (2 pumps)</u>	_____	_____	_____
Capacity _____	<u>Hydromatic</u>	_____	_____	_____
Motor: Mfr _____	<u>421 GPM</u>	_____	_____	_____
Horsepower _____	<u>Hydromatic</u>	_____	_____	_____
Power (Electric or Mechanical) _____	<u>10 HP</u>	_____	_____	_____
	<u>230V/3/60</u>	_____	_____	_____
	<u>Electric</u>	_____	_____	_____

OTHER WASTEWATER 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. 950 ERC's
- Estimated annual increase in ERC's* Less than 10 ERC's
- List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Protection (DEP) for systems in operation. FLA043699
- State any plans and estimated completion dates for any enlargements of this system N/A
- If 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 regards to meeting the DEP's rules. N/A
 - Plans for funding and construction of the required upgrading. N/A
 - Have these plans been coordinated with the DEP? N/A
 - Do they concur? N/A
 - When will construction begin? N/A
- In what percent of your certificated area have service connections been installed? 80%

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

UTILITY NAME:

CONTINENTAL UTILITY, INC.

YEAR OF REPORT
December 31, 1998

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE*	TYPE OF METER*	EQUIVALENT FACTOR	NUMBER OF METERS	TOTAL NUMBER OF METER EQUIVALENTS (c x d)
(a)	(b)	(c)	(d)	(e)
5/8"	Displacement	1.0	874	874
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0	1	15
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 Wastewater System Meter Equivalents _____				939

CALCULATION OF THE WASTEWATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{45,162,000}{\text{(total gallons treated)}} / 365 \text{ days} \right) / 275 \text{ gpd} = \underline{\quad 450 \quad}$$