

CLASS "A"

WATER and/or SEWER UTILITIES

(Gross Revenue of \$750,000 and Over)

ANNUAL REPORT

OF

Hydratech Utilities, Inc.

337-W/292-S

Certificate Number(s)



**OFFICIAL COPY
DIVISION OF
WATER AND SEWER
Department of Public Works Office**

FOR THE

YEAR ENDED DECEMBER 31, 1997

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

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April 13, 1998

Officers and Directors
Hydratech Utilities, Inc.

We have compiled the 1997 Annual Report of Hydratech 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 Hydratech 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

YEAR OF REPORT
December 31, 1997

UTILITY NAME: Hydratech Utilities, Inc.

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

- | | | |
|------------|-----------|--|
| YES
(X) | NO
() | 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
(X) | NO
() | 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
(X) | 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
(X) | 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.
(X) (X) (X) (X)

Gerald W. Boho
(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

Hydratech Utilities, Inc.

(Exact Name of Utility)

County: Martin

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

6570 S.E. Federal Highway
Stuart, Florida 34997

Telephone: (561) 286-3300

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

Gerald W. Bobo
6570 S.E. Federal Highway
Stuart, Florida 34997

Telephone: (561) 286-3300

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

6570 S.E. Federal Highway
Stuart, Florida 34997

Telephone: (561) 286-3300

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

Cronin, Jackson, Nixon and Wilson, CPA's

Date of original organization of the utility:

10 / 03 / 75

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.	Keathley /Hydratech Trust	33.3 %
2.	Terry M. Keathley	33.3 %
3.	Gerald W. Bobo	33.3 %
4.		%
5.		%
6.		%
7.		%
8.		%
9.		%
10.		%

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NAME OF COMPANY REPRESENTATIVE (1)(2)	TITLE OR POSITION	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Gerald W. Bobo	President	Utility	All matters
Phillip Keathley	Secretary/Treasurer	Utility	All matters
F. Marshall Deterdin	Attorney	Rose, Sundstrom & Bentley, P.A.	Legal matters
Robert C. Nixon	CPA	Cronin, Jackson, Nixon & Wilson, CPA's, P.A.	Rate and Accounting matters

- E-3**

UTILITY NAME: Hydratech Utilities, Inc.

COMPANY PROFILE

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

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

- (A) Hydratech Utilities, Inc. was incorporated on October 3, 1975. Previously it was operated as Ridgeway Mobile Home Subdivision, D/B/A Hydratech Utilities, and was organized to provide service to the residents of Ridgeway. Since then, the Company has extended its service area to provide water and sewer service to a variety of residential and commercial customers.
- (B) Water and sewer service only.
- (C) Hydratech's major objective is to provide quality water and sewer service to its customers and a fair return to its stockholders.
- (D) Water and sewer divisions only.
- (E) The Company expects to add approximately 200 Erc's per year.
- (F) None

UTILITY NAME: Hydratech Utilities, Inc.

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

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

Related Companies by common ownership as follows:

Hydratech
Utilities, Inc.

Gerald Bobo &
Associates, Inc.

Keathley
Enterprises, Inc.

Ridgeway Mobile
Home Subdivision, Inc.

UTILITY NAME: Hydratech Utilities, Inc.

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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)
Gerald W. Bobo	President	100 %	\$ 109,440
Terry M. Keathley	Vice-President	25 %	\$ None
Phillip Keathley	Secretary/Treasurer	100 %	\$ 74,133
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

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)
Gerald W. Bobo	Director	6	\$ 5,000
Terry M. Keathley	Director	6	\$ 5,000
Phillip Keathley	Director	6	\$ 5,000
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: Hydratech Utilities, Inc.

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BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
Gerald Bobo & Terry M. Keathley	Vehicle leasing	\$ 33,504	Gerald Bobo & Assoc. 104 East Hampton Way Jupiter, FL 33458

* 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: Hydratech Utilities, Inc.

YEAR OF REPORT
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AFFILIATION OF OFFICERS AND DIRECTORS

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

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Terry M. Keathley Gerald W. Bobo	Developers & Managers	Officers	Keathley Enterprises, Inc. 7250 S.E. Federal Highway Hobe Sound, FL 33455
Terry M. Keathley Gerald W. Bobo	Contractors	Officers	Ridgeway Mobile Home Subdivision 7250 S.E. Federal Highway Hobe Sound, FL 33455
Gerald W. Bobo Terry M. Keathley	Engineering	Officers	Gerald Bobo & Assoc. 104 East Hampton Way Jupiter, FL 33458

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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	\$		\$		\$	

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UTILITY NAME: Hydratech Utilities, Inc.

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)
See E-7				

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: Hydratech Utilities, Inc.

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**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 _____	\$ 4,588	\$ 5,520
Construction Work In Progress _____		1
Plant Acquisition Adjustment _____	(25)	
Plant Held For Future Use _____		
Materials and Supplies _____		
Less:		
Accumulated Depreciation and Accumulated Amortization _____	1,204	1,573
Contributions In Aid Of Construction (Net) _____	2,609	2,805
Net Book Cost _____	\$ 750	\$ 1,143
REVENUES AND EXPENSES (Intrastate Only)(000's Omitted):		
Operating Revenues _____	\$ 1,368	\$ 1,134
Depreciation and Amortization Expense _____	\$ 37	\$ 61
Income Tax Expense _____		
Taxes Other Than Income _____	159	118
Other Operating Expenses _____	978	814
Total Operating Expenses _____	\$ 1,174	\$ 993
Net Operating Income _____	\$ 194	\$ 141
Other Income _____	\$ 66	\$ 66
Other Income Deductions _____	364	364
Net Income _____	\$ (104)	\$ (157)
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average _____	5,220	4,483
Commercial - Yearly Average _____	175	113
Industrial - Yearly Average _____		
Others - Yearly Average _____	10	
Total _____	5,405	4,596
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons (1) _____	92	45
Average Annual Residential Cost Per 1,000 Gallons (1) _____	\$ 2.35	\$ 4.82
Average Residential Monthly Bill _____	\$ 18.77	\$ 17.51
Gross Plant Investment Per Customer _____	\$ 849	\$ 1,201

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

FINANCIAL

SECTION

UTILITY NAME: Hydratech Utilities, Inc.

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COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-105	Utility Plant	F-5	\$ 10,109,550	\$ 9,975,962
108-110	Less: Accumulated Depreciation and Amortization	F-6	(2,776,458)	(2,411,696)
	Net Plant		7,333,092	7,564,266
114-115	Utility Plant Acquisition			
	Adjustments (Net)	F-5	(25,025)	(27,233)
	Other Plant Adjustments (specify)			
	Total Net Utility Plant		7,308,067	7,537,033
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-7		
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property			
123	Investments in Associated Companies	F-8		
124	Utility Investments	F-8		
125	Other Investments	F-8		
126-127	Special Funds	F-8		
	Total Other Property and Investments			
CURRENT AND ACCRUED ASSETS				
131	Cash		93,844	24,387
132	Special Deposits	F-7	85,689	15,204
133	Other Special Deposits	F-7		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-9	180,433	189,797
145	Accounts Receivable from Associated Companies	F-10		
146	Notes Receivable from Associated Companies	F-10	1,257,047	1,145,884
151-153	Materials and Supplies	F-11		
161	Stores Expense			
162	Prepayments	F-11	142	130
171	Accrued Interest and Dividends Receivable			
174	Misc. Current and Accrued Assets		576	327
	Total Current and Accrued Assets		1,617,731	1,375,729

UTILITY NAME: Hydratech Utilities, Inc.

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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	3,552	5,270
182	Extraordinary Property Losses	F-12		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	F-11	130,176	
187	Research and Development Expenditures	F-11		
190	Accumulated Deferred Income Taxes			743,720
	Total Deferred Debits		133,728	748,990
	TOTAL ASSETS AND OTHER DEBITS		\$ 9,059,526	\$ 9,661,752

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT December 31, 1997
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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	498	\$ 498
204.	Preferred Stock Issued _____	F-14		
202,205	Capital Stock Subscribed _____			
203,206	Capital Stock Liability for Conversion _____			
207	Premium on Capital Stock _____			
209	Reduction in Par or Stated Value of Capital Stock _____			
210	Gain on Resale or Cancellation of Capital Stock _____			
211	Other Paid-in Capital _____		8,502	8,502
212	Discount on Capital Stock _____			
213	Capital Stock Expense _____			
214-215	Retained Earnings (Deficit) _____	F-15	(3,918,503)	(3,657,701)
216	Reacquired Capital Stock _____			
218	Proprietary Capital (Proprietorship and Partnership Only) _____			
	Total Equity Capital (Deficit) _____		(3,909,503)	(3,648,701)
LONG TERM DEBT				
221	Bonds _____	F-16		
222	Reacquire Bonds _____			
223	Advances from Associated Companies _____	F-16		
224	Other Long Term Debt _____	F-14	5,836,793	5,696,293
	Total Long Term Debt _____		5,836,793	5,696,293
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable _____		288,847	293,755
232	Notes Payable _____	F-13		
233	Accounts Payable to Associated Co. _____	F-13		
234	Notes Payable to Associated Co. _____	F-13	410,000	400,000
235	Customer Deposits _____		195,574	183,088
236	Accrued Taxes _____	F-17	223,496	230,490
237	Accrued Interest _____	F-18	2,973	3,096
238	Accrued Dividends _____			
239	Matured Long Term Debt _____			
240	Matured Interest _____			
241	Miscellaneous Current and Accrued Liabilities _____	F-19		
	Total Current and Accrued Liabilities _____		1,120,890	1,110,429

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT December 31, 1997
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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)
	DEFERRED CREDITS			
251	Unamortized Premium on Debt _____	F-12		\$ _____
252	Advances for Construction _____	F-19		
253	Other Deferred Credits (Contributed taxes) _____		597,228	611,718
255	Accumulated Deferred Investment Tax Credits _____			
	Total Deferred Credits _____		597,228	611,718
	OPERATING RESERVES			
261	Property Insurance Reserve _____			
262	Injuries and Damages Reserve _____			
263	Pensions and Benefits Reserve _____			
265	Miscellaneous Operating Reserves _____			
	Total Operating Reserves _____			
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction _____	F-20	7,556,584	7,344,904
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	(2,142,466)	(1,875,609)
	Total Net C.I.A.C. _____		5,414,118	5,469,295
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes - Accelerated Depreciation _____			422,718
282	Accumulated Deferred Income Taxes - Liberalized Depreciation _____			
283	Accumulated Deferred Income Taxes - Other _____			
	Total Accum. Deferred Income Taxes _____			422,718
	TOTAL EQUITY CAPITAL AND LIABILITIES _____		\$ 9,059,526	\$ 9,661,752

UTILITY NAME: Hydratech 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 _____	\$ 2,388,990	F-3(b)	\$ 2,501,357
401	Operating Expenses _____	1,691,094	F-3(b)	1,792,059
403	Depreciation Expense _____	94,322	F-6/F-21	97,905
406	Amortization of Utility Plant Acquisition Adjustment _____			
407	Amortization Expense _____	0		
408.1	Taxes Other Than Income _____	268,912	F-17	277,292
409.1	Income Taxes _____	78,540	F-17	
410.10	Deferred Federal Income Taxes _____	72,787		
410.11	Deferred State 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 _____	2,205,655		2,167,256
	Utility Operating Income _____	183,335		334,101
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)] _____	183,335		334,101

COMPARATIVE OPERATING INCOME

[illegible]

UTILITY NAME: Hydratech 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)]	183,335		334,101
	OTHER INCOME AND DEDUCTIONS			
415	Revenues From Merchandising, Jobbing and Contract Deductions	1,559		2,707
416	Costs and Expenses of Merchandising, Jobbing and Contract Work	(1,063)		(1,767)
419	Interest and Dividend Income	109,424		114,063
420	Allowance for Funds Used During Construction			
421	Nonutility Income	8,208		17,431
426	Miscellaneous Nonutility Expenses	(151)		(867)
	Total Other Income and Deductions	117,977		131,567
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income		F-17	
409.20	Income Taxes	73,580	F-17	
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit	294,719		0
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
	Total Taxes Applicable to Other Income	221,139		0
	INTEREST EXPENSE			
427	Interest Expense	497,785	F-18	529,737
428	Amortization of Debt Discount & Expense	37,109	F-12	5,270
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	534,894		535,007
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deductions			191,463
409.30	Income Taxes, Extraordinary Items(1)			
	Total Extraordinary Items			191,463
	NET INCOME	\$ (12,443)		\$ (260,802)

Note (1): Write-off of prior years deferred taxes since the company has received Subchapter - S Status for 1997.

UTILITY NAME: Hydratech Utilities, Inc.

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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	\$ 4,588,115	\$ 5,520,145
	Less:			
	Nonused and Useful Plant (1) _____			
108.1	Accumulated Depreciation _____	F-6	1,203,891	1,572,567
110.1	Accumulated Amortization _____	F-6		
271	Contributions in Aid of Construction _____	F-20	3,583,628	3,972,956
252	Advances for Construction _____	F-19		
	Subtotal _____		(199,404)	(25,378)
	Additions:			
272	Accumulated Amortization of Contributions in Aid of Construction _____	F-21	974,648	1,167,818
	Subtotal _____		775,244	1,142,440
	Plus or Minus:			
114	Acquisition Adjustments (2) _____	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2) _____	F-5		
	Working Capital Allowance (3) _____		122,224	101,784
	Other (Specify):			
	CIAC tax - invested portion		65,088	65,088
	Prepaid portion of CIAC		502,350	
	RATE BASE _____		\$ 1,464,906	\$ 1,309,312
	UTILITY OPERATING INCOME _____		\$ 193,704	\$ 140,397
	ACHIEVED RATE OF RETURN _____		13.22 %	10.72 %

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: Hydratech 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	\$ 4,588,115	\$ 5,520,145	\$ N/A	\$ 10,108,260
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress		1,290		1,290
106	Completed Construction Not Classified				
	Total Utility Plant	\$ 4,588,115	\$ 5,521,435	\$ N/A	\$ 10,109,550

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):				
Treasure Cove System	\$ (29,441)	\$	\$	\$ (29,441)
Total Plant Acquisition Adjs.	(29,441)			(29,441)
ACCUMULATED AMORTIZATION (115):				
Treasure Cove System	4,416			4,416
Total Accumulated Amortization	4,416			4,416
Net Acquisition Adjustments	\$ (25,025)	\$	\$	\$ (25,025)

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
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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	\$ 1,055,870	\$ 1,355,826	\$ N/A	\$ 2,411,696
Credits during year:				
Accruals charged:				
to Account 108.1	148,021	216,741		364,762
to Account 108.2				
to Account 108.3				
Accruals charged other accounts (specify)				
Salvage				
Other Credits (specify)				
Total credits	148,021	216,741		364,762
Debits during year:				
Book cost of plant sold				
Cost of removal				
Other debits (specify)				
Total debits				
Balance end of year	\$ 1,203,891	\$ 1,572,567	\$ N/A	\$ 2,776,458

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	\$	\$	\$	\$

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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)
N/A	\$	\$	\$	\$
Total Nonutility Property_____	\$	\$	\$	\$

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):	
First Union - Money Market (CIAC gross-up)	\$ 85,689
Total Special Deposits _____	\$ 85,689
SPECIAL DEPOSITS (ACCT. 132):	
N/A	\$
Total Special Deposits _____	\$

UTILITY NAME: Hydratech 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: Hydratech Utilities, Inc.

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

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

DESCRIPTION (a)	TOTAL (b)
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141):	
Water (Combined Water and Sewer) _____	\$ 180,374
Sewer _____	
Other _____	
Total Customer Accounts Receivable _____	180,374
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
Merchandise and jobbing receivable _____	\$ 59

Total Other Accounts Receivable _____	59
NOTES RECEIVABLE (Acct. 144):	
_____	\$

Total Notes Receivable _____	
Total Accounts and Notes Receivable _____	180,433
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Acct. 143):	
Balance First of Year _____ N/A	\$
Add: Provision for uncollectables for current year _____	
Collections of accounts previously written off _____	
Utility accounts _____	
Others _____	
Total Additions _____	
Deduct accounts written off during year:	
Utility accounts _____	
Others _____	
Total accounts written off _____	
Balance end of year _____	
Total Accounts and Notes Receivable - Net _____	\$ 180,433

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[illegible]

Report each note receivable from associated companies separately.		
DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
Ridgeway Mobile Home Subdivision, Inc.	10	\$ 1,122,345
Double Tree Country Club, Inc.	15	134,702
Total -----		\$ 1,257,047

UTILITY NAME: Hydratech Utilities, Inc.

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MATERIALS AND SUPPLIES (ACCTS. 151 - 153)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Plant Material and Supplies (Acct. 151) _____	N/A	N/A	N/A	\$ _____
Merchandise (Acct. 152) _____	_____	_____	_____	_____
Other Materials and Supplies (Acct. 153) _____	_____	_____	_____	_____
Total Materials and Supplies _____	_____	_____	_____	\$ _____

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance _____	\$ 142
Prepaid Rents _____	_____
Prepaid Interest _____	_____
Prepaid Taxes _____	_____
Other Prepayments (Specify): _____ _____	_____
Total Prepayments _____	\$ 142

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) Investment in CIAC taxes _____	130,176
Total Miscellaneous Deferred Debits _____	\$ 130,176

UTILITY NAME: Hydratech Utilities, Inc.

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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):		
Long-term debt - First Union	\$ 5,270	\$ 3,552
Total Unamortized Debt Discount and Expense -----	\$ 5,270	\$ 3,552
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: Hydratech Utilities, Inc.

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NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION (a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	FREQUENCY OF PAYMENT (e)	
ACCOUNT 232 - NOTES PAYABLE:					
			%		\$
			%		
			%		
			%		
			%		
Total Account 232					\$
ACCOUNT 234 - NOTES PAYABLE TO ASSOCIATED COMPANIES:					
Notes Payable - G. & S. Bobo	Various	Demand	10.00 %	Monthly	\$ 370,000
Notes Payable - T. Keathley	12/30/97	Demand	10.00 %	Monthly	20,000
Notes Payable - P. Keathley	12/30/97	Demand	10.00 %	Monthly	20,000
			%		
			%		
Total Account 234					\$ 410,000

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
N/A	\$
Total	\$

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DESCRIPTION (a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share _____	\$ 1.00	\$ N/A
Shares authorized _____	500	
Shares issued and outstanding _____	498	
Total par value of stock issued _____	\$ 498	\$
Dividends declared per share for year _____	\$ None	\$

[illegible]

UTILITY NAME: Hydratech Utilities, Inc.

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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 (Deficit) _____	\$ (3,657,701)
439	Changes to account:	
	Adjustments to Retained Earnings (requires	
	Commission approval prior to use):	
	Credits: _____	

	Total Credits _____	
	Debits: _____	

	Total Debits _____	
435	Balance transferred from Income (Loss) _____	(260,802)
436	Appropriations of Retained Earnings:	

	Total appropriations of Retained Earnings _____	
437	Dividends declared:	
	Preferred stock dividends declared _____	
438	Common stock dividends declared _____	

	Total Dividends Declared _____	
	Balance end of year (Deficit) _____	(3,918,503)
214	Appropriated Retained Earnings (state balance and purpose of	
	each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	
	Total Retained Earnings (Deficit) _____	\$ (3,918,503)

Notes to Statement of Retained Earnings:

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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			\$

Report each account payable separately.	
DESCRIPTION (a)	TOTAL (b)
N/A	\$ _____

Total _____	\$ _____

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
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ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year _____	\$ 134,119	\$ 96,371	\$ N/A	\$ 230,490
	Accruals Charged:				
408.10	Utility Regulatory				
	Assessment Fees _____	61,539	51,022		112,561
408.11	Property Taxes _____	57,276	48,048		105,324
408.12	Payroll Taxes _____	32,799	17,392		50,191
408.13	Other Taxes & Licenses _____	7,553	1,663		9,216
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 _____	159,167	118,125		277,292
	Taxes Paid During Year:				
408.10	Utility Regulatory				
	Assessment Fees _____	59,861	47,643		107,504
408.11	Property Taxes _____	52,542	50,348		102,890
408.12	Payroll Taxes _____	32,450	17,108		49,558
408.13	Other Taxes & Licenses _____	7,553	1,663		9,216
409.10	Federal Income Taxes _____	15,999	(3,043)		12,956
409.11	State Income Taxes _____	2,683	(521)		2,162
	Taxes Applicable to Other Income (Accts. 408.2, 409.2, 409.3, 410.2) _____				.
	Total Taxes Paid _____	171,088	113,198		284,286
	Balance End of Year _____	\$ 122,198	\$ 101,298	\$ N/A	\$ 223,496

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
 December 31, 1997
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:					
First Union of Florida, N.A.	\$	427	\$ 478,016	\$ 478,016	\$
G. & S. Bobo	3,096	427	31,890	32,013	2,973
Less: Cap. Int. (AFUDC)			(1,002)	(1,002)	
Total Account No. 237.1	3,096		508,904	509,027	2,973
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:					
Customer Deposits		427	10,643	10,643	
Miscellaneous Interest		427	10,191	10,191	
Total Account 237.2			20,834	20,834	
Total Account 237	\$ 3,096		\$ 529,738	\$ 529,861	\$ 2,973

**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	\$	\$		\$

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DESCRIPTION (a)	BALANCE END OF YEAR (b)
N/A	\$ _____

Total Miscellaneous Current and Accrued Liabilities _____	\$ = =====

[illegible]

UTILITY NAME: Hydratech Utilities, Inc.

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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 (1) _____	\$ 3,473,882	\$ 3,871,022	\$ N/A	\$ 7,344,904
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A") _____	84,747	70,800		155,547
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B") _____	24,999	31,134		56,133
Total Credits _____	109,746	101,934		211,680
Less debits charged during the year (All debits charged during year must be explained below) _____				
Total Contributions In Aid of Construction (2) _____	\$ 3,583,628	\$ 3,972,956	\$ N/A	\$ 7,556,584

Explain all debits charged to Account 271 below:

(2) Balance includes prepaid CIAC of \$508,950 for water at 12/31/96.

(2) Balance includes prepaid CIAC of \$502,350 for water at 12/31/97

UTILITY NAME: Hydratech Utilities, Inc.

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

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	WATER (d)	SEWER (e)
Meter fees - 5/8 x 3/4"	199	\$ 100.00	\$ 19,900	
1"	11	127.00	1,397	
Connection fees - water 5/8 x 3/4"	198	300.00	59,400	
1"	9	450.00	4,050	
Connection fees - sewer	236	300.00		70,800
Total Credits			\$ 84,747	\$ 70,800

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	\$ 863,493	\$ 1,012,116	\$ N/A	\$ 1,875,609
Debits during year:				
Accruals charged to Account 272	111,155	155,702		266,857
Other debits (specify):				
Total debits	111,155	155,702		266,857
Credits during year (specify):				
Total Credits				
Balance end of year	\$ 974,648	\$ 1,167,818	\$ N/A	\$ 2,142,466

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

F-22

UTILITY NAME: Hydratech Utilities, Inc.

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

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

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

DESCRIPTION (a)	REFERENCE (b)	AMOUNT (c)
Net income for the year -----		\$ N/A
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:		
Hydratech utilities is a subchapter "S" corporation for tax purposes, therefore, this schedule is not applicable		

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

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
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SCHEDULE "A"

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

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$	%	%	%
Preferred Stock		%	%	%
Long Term Debt	6,161,543	97.02 %	8.28 %	8.03 %
Customer Deposits	189,928	2.98 %	6.00 %	0.18 %
Tax Credits - Zero Cost		%	%	%
Tax Credits - Weighted Cost		%	%	%
Deferred Income Taxes		%	%	%
Other (Explain)		%	%	%
Total	\$ <u>6,351,471</u>	<u>100</u> %		<u>8.21</u> %

(1) Should equal amounts on Schedule B, Column (f), page F-25.

(2) Must be calculated using the same methodology used to calculate AFUDC rate approved by the Commission.

APPROVED AFUDC RATE

Current Commission approved AFUDC rate: 10.07 %

Commission order approving AFUDC rate: 20650

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

UTILITY NAME: Hydratech Utilities, Inc.

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SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE(1) (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (2) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
Common Equity	\$ (3,779,102)	\$	\$	\$ 3,779,102	\$
Preferred Stock					
Long Term Debt(2)	6,161,543				6,161,543
Customer Deposits(2)	189,331				189,331
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost					
Deferred Income Taxes					
Other (Explain)					
Total	\$ <u>2,571,772</u>	\$ <u></u>	\$ <u></u>	\$ <u>3,779,102</u>	\$ <u>6,350,874</u>

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

Notes: (1) Average balance per books.

(2) Due to Common Equity being negative, an adjustment was necessary to reflect a zero impact on capital structure.

WATER

OPERATION

SECTION

UTILITY NAME: Hydratech Utilities, Inc.

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WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
301	Organization	\$	\$	\$
302	Franchises			
303	Land and Land Rights	182,851		9,402 1
304	Structure and Improvements	488,671	3,849	
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	386,420	3,035	
308	Infiltration Galleries and Tunnels			
309	Supply Mains	742,129		
310	Power Generation Equipment	71,619		
311	Pumping Equipment	127,754		
320	Water Treatment Equipment	99,292		
330	Distribution Reservoirs and Standpipes	369,522		
331	Transmission and Distribution Mains	1,292,275	15,548	
333	Services	191,579	5,600	
334	Meters and Meter Installations	268,730	64	
335	Hydrants	122,258	3,825	
339	Other Plant and Miscellaneous Equipment	22,050		
340	Office Furniture and Equipment	57,048	1,278	
341	Transportation Equipment	65,322		
342	Stores Equipment	139		
343	Tools, Shop and Garage Equipment	14,279		
344	Laboratory Equipment	9,144		
345	Power Operated Equipment	48,026		
346	Communication Equipment	3,636		
347	Miscellaneous Equipment			
348	Other Tangible Plant	1,574		
	Total Water Plant	\$ 4,564,318	\$ 33,199	\$ 9,402

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

Note: Property sold at original cost.

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)
\$	\$				
173,449		\$ 173,449	\$	\$	\$
492,520		4,366	462,956	25,198	
389,455		389,455			
742,129		742,129			
71,619		71,619			
127,754		127,754			
99,292			99,292		
369,522				369,522	
1,307,823				1,307,823	
197,179				197,179	
268,794				268,794	
126,083				126,083	
22,050	1,946	14,504		5,600	
58,326					58,326
65,322					65,322
139					139
14,279					14,279
9,144					9,144
48,026					48,026
3,636					3,636
1,574					1,574
\$ 4,588,115	\$ 1,946	\$ 1,523,276	\$ 562,248	\$ 2,300,199	\$ 200,446

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT December 31, 1997
--

WATER UTILITY EXPENSE ACCOUNTS**WATER EXPENSE ACCOUNT MATRIX**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees _ _ _	\$ 334,239	\$	\$
603	Salaries and Wages - Officers, Directors and Majority Stockholders _ _ _	136,215	6,810	
604	Employee Pensions and Benefits _ _ _	43,174		
610	Purchased Water _ _ _			
615	Purchased Power _ _ _	46,011		
616	Fuel for Power Purchased _ _ _	373		
618	Chemicals _ _ _	33,413		
620	Materials and Supplies _ _ _	96,998		
631	Contractual Services - Engineering _ _	3,003		
632	Contractual Services - Accounting _ _	21,312		
633	Contractual Services - Legal _ _ _	16,239		
634	Contractual Services - Management Fees _ _ _			
635	Contractual Services - Other _ _ _	102,704		654
641	Rental of Building/Real Property _ _ _	18,962	4,283	
642	Rental of Equipment _ _ _	4,089		
650	Transportation Expense _ _ _	31,696		
656	Insurance - Vehicle _ _ _	13,045		
657	Insurance - General Liability _ _ _	17,342		
658	Insurance - Workmens Compensation _ _ _	10,650		
659	Insurance - Other _ _ _	1,130		
660	Advertising Expense _ _ _			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense _ _ _			
667	Regulatory Commission Expenses Other _ _ _			
670	Bad Debt Expense _ _ _	1,014		
675	Miscellaneous Expenses _ _ _	46,182		
	Total Water Utility Expenses _ _ _	\$ 977,791	\$ 11,093	\$ 654

WATER EXPENSE ACCOUNT MATRIX

.3 WATER TREATMENT EXPENSES - OPERATIONS (f)	.4 WATER TREATMENT EXPENSES - MAINTENANCE (g)	.5 TRANSMISSION & DISTRIBUTION EXPENSES - OPERATIONS (h)	.6 TRANSMISSION & DISTRIBUTION EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 50,158	\$ 18,913	\$ 28,126	\$ 14,348	\$ 125,097	\$ 97,597
27,225	- 6,806	12,259	6,535	8,173	68,407
44,181		373			43,174
33,413		87,448	2,285		1,830
					7,265
					3,003
					21,312
					16,239
26,225		18,322			57,503
509		426			14,679
1,175		15,131			3,154
					15,390
					13,045
					17,342
					10,650
					1,130
		1,653		1,014	
				11,769	32,760
\$ 182,886	\$ 25,719	\$ 163,738	\$ 23,168	\$ 146,053	\$ 424,480

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT

December 31, 1997

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue _____			\$ _____
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers _____	5,120	5,319	1,175,476
461.2	Metered Sales to Commercial Customers _____	171	178	141,631
461.3	Metered Sales to Construction Customers _____			
461.4	Metered Sales to Public Authorities _____			
461.5	Metered Sales to Multiple Family Dwellings _____			
	Total Metered Sales _____	5,291	5,497	1,317,107
	Fire Protection Revenue:			
462.1	Public Fire Protection _____	10	11	13,441
462.2	Private Fire Protection _____			
	Total Fire Protection Revenue _____	10	11	13,441
464	Other Sales to Public Authorities _____			
465	Sales to Irrigation Customers _____			
466	Sales for Resale _____			
467	Interdepartmental Sales _____			
	Totals _____	5,301	5,508	1,330,548
	Other Water Revenues:			
469	Guarenteed Revenues _____			
470	Forfeited Discounts _____			
471	Miscellaneous Service Revenues _____			4,592
472	Rents From Water Property _____			
473	Interdepartmental Rents _____			
474	Other Water Revenues _____			32,388
	Total Other Water Revenues _____			36,980
	Total Water Operating Revenues _____			\$ 1,367,528

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
December 31, 1997

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (f)
301	Organization _____		%	%
302	Franchises _____		%	%
304	Structure and Improvements _____	33	%	3.03 %
305	Collecting and Impounding Reservoirs _____		%	%
306	Lake, River and Other Intakes _____		%	%
307	Wells and Springs _____	22	%	4.55 %
308	Infiltration Galleries and Tunnels _____		%	%
309	Supply Mains _____	35	%	2.86 %
310	Power Generation Equipment _____	20	%	5.00 %
311	Pumping Equipment _____	20	%	5.00 %
320	Water Treatment Equipment _____	20	%	5.00 %
330	Distribution Reservoirs and Standpipes _____	36	%	2.78 %
331	Transmission and Distribution Mains _____	41	%	2.44 %
333	Services _____	40	%	2.50 %
334	Meters and Meter Installations _____	20	%	5.00 %
335	Hydrants _____	40	%	2.50 %
339	Other Plant and Miscellaneous Equipment (Fire Mains) _____	27	%	3.70 %
340	Office Furniture and Equipment _____	9	%	11.11 %
341	Transportation Equipment _____	6	%	16.67 %
342	Stores Equipment _____	18	%	5.56 %
343	Tools, Shop and Garage Equipment _____	16	%	6.25 %
344	Laboratory Equipment _____	11	%	9.09 %
345	Power Operated Equipment _____	11	%	9.09 %
346	Communication Equipment _____	10	%	10.00 %
347	Miscellaneous Equipment _____		%	%
348	Other Tangible Plant _____	10	%	10.00 %
	Water Plant Composite Depreciation Rate *		%	%

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

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
December 31, 1997

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises _____				
304	Structure and Improvements _____	97,831	14,867		14,867
305	Collecting and Impounding Reservoirs _____				
306	Lake, River and Other Intakes _____				
307	Wells and Springs _____	44,932	13,876		13,876
308	Infiltration Galleries and Tunnels _____				
309	Supply Mains _____	104,276	21,272		21,272
310	Power Generation Equipment _____	30,137	3,570		3,570
311	Pumping Equipment _____	47,562	6,387		6,387
320	Water Treatment Equipment _____	19,090	4,436		4,436
330	Distribution Reservoirs and Standpipes _____	120,030	10,218		10,218
331	Transmission and Distribution Mains _____	252,133	40,489		40,489
333	Services _____	46,720	4,859		4,859
334	Meters and Meter Installations _____	105,190	13,439		13,439
335	Hydrants _____	21,956	3,022		3,022
339	Other Plant and Miscellaneous Equipment _____	10,234	853		853
340	Office Furniture and Equipment _____	45,706	2,144		2,144
341	Transportation Equipment _____	63,876	3,123		3,123
342	Stores Equipment _____	139			0
343	Tools, Shop and Garage Equipment _____	6,031	687		687
344	Laboratory Equipment _____	4,829	507		507
345	Power Operated Equipment _____	31,048	4,001		4,001
346	Communication Equipment _____	3,163	113		113
347	Miscellaneous Equipment _____				
348	Other Tangible Plant _____	987	158		158
	Total Depreciable Water Plant In Service _____	\$ 1,055,870	\$ 148,021	\$ _____	\$ 148,021

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

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

PLANT RETIRED (g)	ASSOCIATED SALVAGE AND INSURANCE (h)	ASSOCIATED COST OF REMOVAL (i)	OTHER CHARGES (j)	TOTAL CHARGES (g-h+i+j) (k)	BALANCE AT END OF YEAR (c+f-k) (l)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	112,698
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	58,808
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	125,548
_____	_____	_____	_____	_____	33,707
_____	_____	_____	_____	_____	53,949
_____	_____	_____	_____	_____	23,526
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	130,248
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	292,622
_____	_____	_____	_____	_____	51,579
_____	_____	_____	_____	_____	118,629
_____	_____	_____	_____	_____	24,978
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	11,087
_____	_____	_____	_____	_____	47,850
_____	_____	_____	_____	_____	66,999
_____	_____	_____	_____	_____	139
_____	_____	_____	_____	_____	6,718
_____	_____	_____	_____	_____	5,336
_____	_____	_____	_____	_____	35,049
_____	_____	_____	_____	_____	3,276
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	1,145
_____	_____	_____	_____	_____	_____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ align="right">1,203,891

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

PUMPING AND PURCHASED WATER STATISTICS

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		46,749	60	46,689	45,454
February		41,760	60	41,700	46,530
March		50,557	65	50,492	40,180
April		46,909	60	46,849	51,028
May		45,639	60	45,579	45,286
June		40,256	60	40,196	34,734
July		42,648	60	42,588	39,171
August		29,912	60	29,852	38,436
September		37,206	60	37,146	36,769
October		43,473	60	43,413	40,107
November		43,369	60	43,309	40,320
December		43,597	60	43,537	40,478
Total for year		512,075	725	511,350	498,493

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

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

WATER TREATMENT PLANT INFORMATION

Type of treatment (reverse osmosis, etc.): Aeration & chlorination
 Methods used (sedimentation, chemical, aerated, etc.): Addition of caustic soda

LIME TREATMENT

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

FILTRATION

Type and area: ☐ Pressure - Square Feet: 50
☐ Gravity - GPM/Square Feet: 2

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	4"	17,547			17,547
PVC	6"	110,047	420		110,467
PVC	8"	68,810	930		69,740
PVC	12"	20,955			20,955
PVC	16"	8,825			8,825
PVC	2"	5,550			5,550
PVC	3"	2,800			2,800
PVC	4"	4,600			4,600
PVC	6"	5,100			5,100
PVC	10"	2,010			2,010
Total feet of mains		246,244	1,350		247,594

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	4,975	199		5,174
1"	255	11		266
1 1/2"	23			23
2"	39			39
3"	1			1
4"				
6"	1			1
8"				
Other (Specify): _____				
Total meters in service	5,294	210		5,504
Total meters in stock (Inactive)	3	4		7
Number of services in use	5,291	206	0	5,497

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _____	#14 1996	#15 1996	#16 1996	
Types of Well Construction and Casing _____	10" steel pipe Driven	10" steel pipe Driven	10" steel pipe Driven	
Depth of Wells _____	185'	185'	185'	
Diameters of Wells _____	10"	10"	10"	
Pump - GPM _____	400	400	400	
Motor - HP _____	15 H.P.	15 H.P.	15 H.P.	
Yields of Wells in GPD _____	576,000	576,000	576,000	
Auxiliary Power _____	None	None	Generator	

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 _____				
PUMPS				
Manufacturer _____				
Type _____				
Capacity in GPM _____				
Average Number of Hours Operated Per Day _____				
Auxiliary Power _____				

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

WELLS AND WELL PUMPS

(a)	(b) (2 Wells)	(c) (1A-2A-4A)	(d) (10B)	(e)
Year Constructed _____	#1 1960	#2 2-1977/1-1978	#3 1991	#3A 1995
Types of Well Construction and Casing _____	3-4" steel pipe rotary drilled	3-8" steel pipe rotary drilled	10" steel pipe rotary drilled	10" steel pipe rotary drilled
Depth of Wells _____	1@60'/1@130'	140'/150'	105'	205'
Diameters of Wells _____	3-4"	8"	10"	10"
Pump - GPM _____	100 gpm ea.	300	300	500
Motor - HP _____	5 H.P.	10 H.P.	10 H.P.	15 H.P.
Yields of Wells in GPD _____	432,000	1,296,000	432,000	720,000
Auxiliary Power _____	Generator	Generator	no	Generator

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete, or pneumatic) _____	2 concrete	Steel	Steel	
Capacity of Tank _____	500,000	100,000	2 @ 5000	
Ground of Elevated _____	Ground	Ground	Grnd, pneumatic	

HIGH SERVICE PUMPING

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _____	US Electric	Baldon Electric	3 - G. E.	
Type _____	Electric	Electric	Electric	
Rated Horsepower _____	20 HP	20 HP	60 HP	
PUMPS				
Manufacturer _____	Sta-Rite	Sta-Rite	3-Peerless	
Type _____	Centrifugal	Centrifugal	Centrifugal	
Capacity in GPM _____	450	450	1500 ea.	
Average Number of Hours Operated Per Day _____	20	18	1 pump-1 hr.	
Auxiliary Power _____	Generator	Generator	Generator	

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
 December 31, 1997

SOURCE OF SUPPLY

List for each water treatment facility: See information on page W-8.

Gallons per day of source	3.61 mgd		
Type of source	Wells		

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	(Ridgeway)		
Make	Aeration, Chlorination & Caustic Soda		
Gallons per day capacity	Various		
Method of measurement	3.61mgd		
	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. 3,902
- Estimated annual increase in ERC's *. 200
- List fire fighting facilities and capacities. Fire Hydrants
- List percent of certificate area where service connection are installed (total for each county). 50 %
- What is the current need for system upgrading and/or expansion? None
- What are plans for future upgrading and/or expansion? When needed to maintain the integrity of the system and/or demand due to growth
- 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? N/A

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

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
December 31, 1997

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	5,174	5,174
3/4"	Displacement	1.5		
1"	Displacement	2.5	266	665
1 1/2"	Displacement or Turbine	5.0	23	115
2"	Displacement, Compound or Turbine	8.0	39	312
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		
6"	Turbine	62.5	1	63
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents -----				6,344

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\left(\frac{498,493,000}{\text{(total gallons sold)}} \div 365 \text{ days} \right) \div 350 \text{ gpd} = 3,902$$

**SEWER
OPERATION
SECTION**

UTILITY NAME: Hydratech 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 _____	1,800	_____	_____
354	Structure and Improvements _____	1,381,278	5,884	_____
360	Collection Sewers - Force _____	654,278	82,306	_____
361	Collection Sewers - Gravity _____	918,951	27,058	_____
362	Special Collecting Structures _____	_____	_____	_____
363	Services to Customers _____	121,589	4,075	_____
364	Flow Measuring Devices _____	1,680	_____	_____
365	Flow Measuring Installations _____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____
371	Pumping Equipment _____	274,713	3,119	_____
380	Treatment and Disposal Equipment _____	1,430,016	_____	_____
381	Plant Sewers _____	148,944	_____	_____
382	Outfall Sewer Lines _____	275,294	_____	_____
389	Other Plant and Miscellaneous Equipment _____	9,743	_____	_____
390	Office Furniture and Equipment _____	46,929	1,045	_____
391	Transportation Equipment _____	53,562	_____	_____
392	Stores Equipment _____	2,121	_____	_____
393	Tools, Shop and Garage Equipment _____	12,305	_____	_____
394	Laboratory Equipment _____	21,243	_____	_____
395	Power Operated Equipment _____	39,297	_____	_____
396	Communication Equipment _____	2,810	_____	_____
397	Miscellaneous Equipment _____	105	_____	_____
398	Other Tangible Plant _____	_____	_____	_____
	Total Sewer Plant _____	\$ 5,396,658	\$ 123,487	\$ _____

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)
\$	\$				
1,800		\$ 1,800	\$	\$	\$
1,387,162			459,710	927,452	
736,584		736,584			
946,009		946,009			
125,604		125,664			
1,680		1,680			
277,832			277,832		
1,430,016				1,430,016	
148,944				148,944	
275,294				275,294	
9,743	2,579		1,511	5,653	
47,974					47,974
53,562					53,562
2,121					2,121
12,305					12,305
21,243					21,243
39,297					39,297
2,810					2,810
105					105
\$ 5,520,145	\$ 2,579	\$ 1,811,737	\$ 739,053	\$ 2,787,359	\$ 179,417

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT December 31, 1997
--

SEWER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES - OPERATIONS (d)	.2 COLLECTION EXPENSES - MAINTENANCE (e)
701	Salaries and Wages - Employees	\$ 197,544	\$ 7,478	\$ 323
703	Salaries and Wages - Officers, Directors and Majority Stockholders	62,358	3,117	
704	Employee Pensions and Benefits	21,129		
710	Purchased Sewage Treatment			
711	Sludge Removal Expense	26,415		
715	Purchased Power	132,679		
716	Fuel for Power Purchased	807		
718	Chemicals	98,425		
720	Materials and Supplies	72,248		
731	Contractual Services - Engineering	1,511		
732	Contractual Services - Accounting	17,437		
733	Contractual Services - Legal	13,274		
734	Contractual Services - Management Fees			
735	Contractual Services - Other	59,524		362
741	Rental of Building/Real Property	12,266	256	
742	Rental of Equipment	2,935		
750	Transportation Expense	26,699		
756	Insurance - Vehicle	10,675		
757	Insurance - General Liability	14,190		
758	Insurance - Workmens Compensation	8,713		
759	Insurance - Other	924		
760	Advertising Expense			
766	Regulatory Commission Expenses - Amortization of Rate Case Expense			
767	Regulatory Commission Expenses Other			
770	Bad Debt Expense	842		
775	Miscellaneous Expenses	33,673		
	Total Sewer Utility Expenses	\$ 814,268	\$ 10,851	\$ 685

SEWER EXPENSE ACCOUNT MATRIX

[illegible]

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
December 31, 1997

SEWER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
	Flat Rate Revenues:			
521.1	Residential Revenues -----			\$ -----
521.2	Commercial Revenues -----			-----
521.3	Industrial Revenues -----			-----
521.4	Revenues From Public Authorities -----			-----
521.5	Multiple Family Dwelling Revenues -----			-----
521.6	Other Revenues -----			-----
	Total Flat Rate Revenues -----			-----
	Measured Revenues:			
522.1	Residential Revenues -----	4,390	4,576	941,734
522.2	Commercial Revenues -----	109	117	164,765
522.3	Industrial Revenues -----			-----
522.4	Revenues From Public Authorities -----			-----
522.5	Multiple Family Dwelling Revenues -----			-----
	Total Measured Revenues -----	4,499	4,693	1,106,499
523	Revenues From Public Authorities -----			-----
524	Revenues From Other Systems -----			-----
525	Interdepartmental Revenues -----			-----
	Totals -----	4,499	4,693	1,106,499
	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 -----			27,330
	Total Other Sewer Revenues -----			27,330
	Total Sewer Operating Revenues -----			\$ 1,133,829

UTILITY NAME: Hydratech Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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 _____	32	%	3.13 %
360	Collection Sewers - Force _____	30	%	3.33 %
361	Collection Sewers - Gravity _____	32	%	3.13 %
362	Special Collecting Structures _____		%	%
363	Services to Customers _____	38	%	2.63 %
364	Flow Measuring Devices _____	15	%	6.67 %
365	Flow Measuring Installations _____		%	%
370	Receiving Wells _____		%	%
371	Pumping Equipment _____	18	%	5.56 %
380	Treatment and Disposal Equipment _____	28	%	3.57 %
381	Plant Sewers _____	35	%	2.86 %
382	Outfall Sewer Lines _____	30	%	3.33 %
389	Other Plant and Miscellaneous Equipment _____	24	%	4.17 %
390	Office Furniture and Equipment _____	9	%	11.11 %
391	Transportation Equipment _____	6	%	16.67 %
392	Stores Equipment _____	18	%	5.56 %
393	Tools, Shop and Garage Equipment _____	16	%	6.25 %
394	Laboratory Equipment _____	14	%	7.14 %
395	Power Operated Equipment _____	11	%	9.09 %
396	Communication Equipment _____	7	%	14.29 %
397	Miscellaneous Equipment _____	15	%	6.67 %
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: Hydratech Utilities, Inc.

YEAR OF REPORT
December 31, 1997

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 _____	352,183	42,736	_____	42,736
360	Collection Sewers - Force _____	211,938	23,179	_____	23,179
361	Collection Sewers - Gravity _____	167,678	30,506	_____	30,506
362	Special Collecting Structures _____	_____	_____	_____	_____
363	Services to Customers _____	27,255	3,255	_____	3,255
364	Flow Measuring Devices _____	498	112	_____	112
365	Flow Measuring Installations _____	_____	_____	_____	_____
370	Receiving Wells _____	_____	_____	_____	_____
371	Pumping Equipment _____	136,911	14,927	_____	14,927
380	Treatment and Disposal Equipment _____	287,897	78,359	_____	78,359
381	Plant Sewers _____	14,896	4,256	_____	4,256
382	Outfall Sewer Lines _____	18,450	9,192	_____	9,192
389	Other Plant and Miscellaneous Equipment _____	4,010	463	_____	463
390	Office Furniture and Equipment _____	36,924	1,779	_____	1,779
391	Transportation Equipment _____	52,376	2,553	_____	2,553
392	Stores Equipment _____	775	118	_____	118
393	Tools, Shop and Garage Equipment _____	4,474	598	_____	598
394	Laboratory Equipment _____	11,621	1,333	_____	1,333
395	Power Operated Equipment _____	25,402	3,276	_____	3,276
396	Communication Equipment _____	2,480	92	_____	92
397	Miscellaneous Equipment _____	58	7	_____	7
398	Other Tangible Plant _____	_____	_____	_____	_____
	Total Depreciable Sewer Plant In Service _____	\$ 1,355,826	\$ 216,741	\$ _____	\$ 216,741

- * 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)
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____	394,919
_____	_____	_____	_____	_____	235,117
_____	_____	_____	_____	_____	198,184
_____	_____	_____	_____	_____	30,510
_____	_____	_____	_____	_____	610
_____	_____	_____	_____	_____	151,838
_____	_____	_____	_____	_____	366,256
_____	_____	_____	_____	_____	19,152
_____	_____	_____	_____	_____	27,642
_____	_____	_____	_____	_____	4,473
_____	_____	_____	_____	_____	38,703
_____	_____	_____	_____	_____	54,929
_____	_____	_____	_____	_____	893
_____	_____	_____	_____	_____	5,072
_____	_____	_____	_____	_____	12,954
_____	_____	_____	_____	_____	28,678
_____	_____	_____	_____	_____	2,572
_____	_____	_____	_____	_____	65
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 1,572,567

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
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PUMPING EQUIPMENT

	1	2	F.G. 1	F.G. 2	Isl. - 1	
Lift station number						
Make or type and nameplate data of pump	Barnes	Barnes	Hydromatic	Hydromatic	Barnes	
Year installed	1992	1995	1996	1996	1996	
Rated capacity (GPM)	80 gpm	100gpm	100gpm	125gpm	300gpm	
Size	15 HP	25HP	25HP	25HP	20HP	
Power:						
Electric	X	X	X	X	X	
Mechanical						
Nameplate data of motor	230V	230V	230V	230V	208	
	3 Phase	3 Phase	3 Phase	3 Phase	3 Phase	

Lift station number						
Make or type and nameplate data of pump						
Year installed						
Rated capacity (GPM)						
Size						
Power:						
Electric						
Mechanical						
Nameplate data of motor						

SERVICE CONNECTIONS

Size (inches)	4"	6"				
Type (PVC, VCP, etc)	VCP/PVC	VCP/PVC				
Average length						
Number of active service connections	4,312	202				
Beginning of year	4,310	189				
Added during year	2	13				
Retired during year						
End of year	4,312	202				
Give full particulars concerning inactive connections	None					

UTILITY NAME: Hydratech Utilities, Inc.

SYSTEM NAME: Same

YEAR OF REPORT
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COLLECTING MAINS

COLLECTING MAINS:						
Size (inches) _____	6"	8"	10"/12"	10"		
Type of main _____	VCP/PVC	VCP/PVC	PVC	PVC		
Length of main (nearest foot):						
Beginning of year _____	19,507	103,293	1,550	2,070		
Added during year _____		1,267				
Retired during year _____						
End of year _____	19,507	104,560	1,550	2,070		

MANHOLES:						
Size (inches) _____	6'					
Type (Brick/Concrete) _____	Precast					
Number:	Concrete					
Beginning of year _____	452					
Added during year _____	8					
Retired during year _____						
End of year _____	460					

FORCE MAINS

FORCE MAINS:						
Size (inches) _____	2"	4"	6"	8"	10"	12"
Type of main _____	PVC	PVC	PVC	PVC	PVC	PVC
Length of main (nearest foot):						
Beginning of year _____	3,770	12,078	47,527	10,211	5,880	11,000
Added during year _____						
Retired during year _____						
End of year _____	3,770	12,078	47,527	10,211	5,880	11,000

UTILITY NAME: Hydratech Utilities, Inc.

SYSTEM NAME: Same

YEAR OF REPORT

December 31, 1997

TREATMENT PLANT

Manufacturer	Marolf		
Type	Contact stabilization		
"Steel" or "Concrete"	Concrete		
Total Capacity	1,200,000		
Average Daily Flow	565,000		
Effluent Disposal	Golf Course Irrigation		
Total Gallons of Sewage Treated	205,971,000		

MASTER LIFT STATION PUMPS

Manufacturer	2 ENPO					
Capacity (GPM)	235 GPM					
Motor: Mfr.						
Horsepower	30					
Power (Electric or Mechanical)	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. 2,052
- Estimated annual increase in ERC's *. 200
- List permit numbers required by Chapter 14-17, Rules of the Department of Environmental Regulation (DER) for systems in operation. FLA 013859
- State any plans and estimated completion dates for any enlargements of this system. None
- 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? 50 %

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

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

UTILITY NAME: Hydratech Utilities, Inc.
 SYSTEM NAME: Same

YEAR OF REPORT
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CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL UNITS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
5/8"	Displacement	1.0	4,454	4,454
3/4"	Displacement	1.5		
1"	Displacement	2.5	189	473
1 1/2"	Displacement or Turbine	5.0	17	85
2"	Displacement, Compound or Turbine	8.0	33	264
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	1	63
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 -----				5,364

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$\frac{(205,971,000 \text{ (total gallons treated)} / 365 \text{ days})}{275 \text{ gpd}} = \underline{2,052}$$