

CLASS "C"

WATER AND/OR WASTEWATER UTILITIES

(Gross Revenue of Less Than \$150,000 Each)

ANNUAL REPORT

WS709 28
Lake Placid Utilities, Inc.
% Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

414-W 347-S

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



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

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

General Instructions

1. Prepare this report in conformity with the 1984 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Sewer Utilities.
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it trebly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. The report should be filled out in quadruplicate and the original and and two copies returned by March 31 of the year following the date of the report. The report should be returned to:

Florida Public Service Commission
Division of Water and Sewer
101 East Gaines Street
Tallahassee, Florida 32399-0873

TABLE OF CONTENTS

Schedule	Page	Schedule	Page
Executive Summary			
Certification	E-1	Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers & Directors	E-8
Directory of Personnel Who Contact The Fla. Public Service Commission	E-3	Businesses Which Are A Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions With Related Parties - Part I and II	E-10
Parent/Affiliate Organization Chart	E-5	Composite of Statistics	E-11
Compensation of Officers & Directors	E-6		
Business Contracts With Officers,			
Financial Section			
Comparative Balance Sheet - Assets and Other Debits	F-1	Companies	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Capital Stock	F-14
Comparative Operating Statement	F-3	Long Term Debt	F-14
Schedule of Year End Rate Base	F-4	Statement of Retained Earnings	F-15
Utility Plant	F-5	Bonds	F-16
Utility Plant Acquisition Adjustments	F-5	Advances from Associated Companies	F-16
Accumulated Depreciation	F-6	Accrued Taxes	F-17
Accumulated Amortization	F-6	Accrued Interest	F-18
Nonutility Property	F-7	Regulatory Commission Expense - Amortization of Rate Case Expense	F-18
Special Deposits	F-7	Misc. Current & Accrued Liabilities	F-19
Investments and Special Funds	F-8	Advances For Construction	F-19
Accounts and Notes Receivable - Net	F-9	Contributions In Aid Of Construction	F-20
Accounts Receivable from Associated Companies	F-10	Additions to CIAC Received from Capacity, Main Extension and Customer Connection Charges	F-21
Notes Receivable from Associated Companies	F-10	Accum. Amortization of C.I.A.C.	F-21
Prepayments	F-11	Additions to CIAC Received from All Developers or Contractors	F-22
Miscellaneous Deferred Debits	F-11	Agreements	F-22
Unamortized Debt Discount and Expense and Premium on Debt	F-12	Reconciliation of Reported Net Income With Taxable Income For	F-23
Extraordinary Property Losses	F-12	Federal Income Taxes	F-23
Notes Payable	F-13	AFUDC Calculation	F-24
Accounts Payable to Associated		AFUDC Capital Structure Adjustments	F-25
Water Operation Section			
Water Utility Plant Accounts	W-1	Statistics	W-6
Water Utility Expense Accounts	W-2	Water Treatment Plant, Mains, Services and Meters	W-7
Water Operating Revenue	W-3	Wells and Well Pumps, Reservoirs, and High Service Pumping	W-8
Basis for Water Depreciation Charges	W-4	Other Water System Information	W-9
Analysis of Entries in Water Depreciation Reserve	W-5	Calculation of ERC's	W-10
Pumping and Purchased Water			
Sewer Operation Section			
Sewer Utility Plant Accounts	S-1	Pumping Equipment and Service Connections	S-6
Sewer Utility Expense Accounts	S-2	Collecting and Force Mains	S-7
Sewer Operating Revenue	S-3	Other Sewer System Information	S-8
Basis for Sewer Depreciation Charges	S-4	Calculation of ERC's	S-9
Analysis of Entries in Sewer Depreciation Reserve	S-5		

EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: LAKE PLACID UTILITIES INC.

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

YES NO
(X) () 1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.

YES NO
(X) () 2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.

YES NO
(X) () 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
(X) () 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.
() () () () _____ *
(signature of chief executive officer of the utility)

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

LAKE PLACID UTILITIES INC.
(Exact Name of Utility)

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

2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

DOUGLAS P. TROY
2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

LAKE PLACID UTILITIES INC.
2335 SANDERS ROAD
NORTHBROOK, IL 60062

Telephone: (847) 498-6440

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

ARTHUR ANDERSEN LLP

Date of original organization of the utility: 1969

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

___ Individual ___ Partnership ___ Sub S Corp XX 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
Utilities Inc.	100%

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OR REPORT
DECEMBER 31, 1997

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
CARL WENZ	VICE PRES		RATE CASE
DAVID H. DEMAREE	SECRETARY		RATE CASE
ARTHUR ANDERSEN	AUDITORS		

- (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.

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: LAKE PLACID 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. Formed in 1969, Lake Placid Utilities, Inc. was acquired by Utilities Inc. in October of 1993.
- B. Lake Placid Utilities, Inc. performs water and wastewater services
- C. Maintain a high quality of service and earn a fair return.
- D. Only one subdivision is served
- E. We expect modest growth currently with anticipated higher growth in the future
- F. The system was purchased at the end of 1993 and is currently being brought up to Utilities Inc. standards of quality.

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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

Complete below an organization 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).

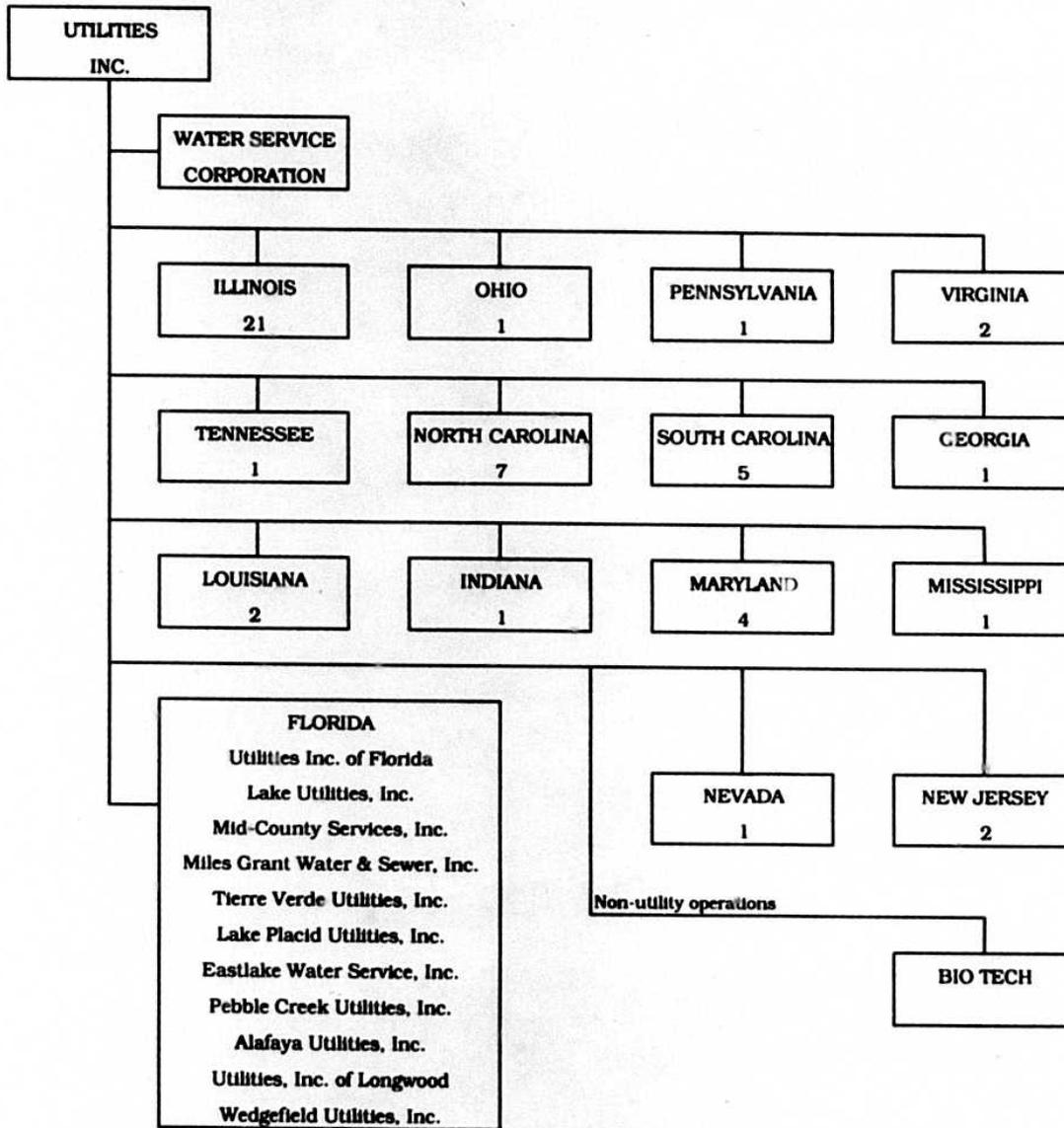
UTILITIES INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST
SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative
staff.

SEE ATTACHED

Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

NOTE: Within each state except Florida is the number of companies owned.

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.

NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF UTILITY (c)	OFFICERS COMPENSATION (d)
JAMES L. CAMAREN	CHAIRMAN & CEO	%	\$ NONE
LAWRENCE N. SCHUMACHER	PRESIDENT	%	\$
DAVID H. DEMAREE	SECRETARY	%	\$ NONE
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

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

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
			\$ NONE

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)
NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES.		\$	

*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: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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)
<p>THE OFFICIALS LISTED ON PAGE E6 HAVE NO OTHER PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION OR CONNECTIONS WITH ANY OTHER BUSINESS OR FINANCIAL ORGANIZATIONS, FIRMS, OR PARTNERSHIPS DURING THE REPORTED YEAR.</p>			

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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

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

BUSINESS OR SERVICE CONDUCTED (a)	ASSETS		REVENUES		EXPENSES	
	BOOK COST OF ASSETS (b)	ACCT. NO. (c)	REVENUES GENERATED (d)	ACCT. NO. (e)	EXPENSES INCURRED (f)	ACCT. NO. (g)
NO BUSINESS WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT RESULTING FROM PROVIDING WATER AND/OR SEWER SERVICE.	\$		\$		\$	

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

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)
WATER SEVICE CORP	Operators Salaries & Benefits	Continuous	P	\$ 5,895
	Insurance	Continuous	P	983
	Computer Operations	Continuous	P	718
	Supplies & Postage	Continuous	P	1,368
	Outside Services	Continuous	P	869
	Management Services	Continuous	P	6,450

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

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

1. Enter in this part all transactions ~~fe~~. The columnar instructions follow: to the purchase, sale or transfer of assets.
 - (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.
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.

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)
NO ASSETS WERE SOLD, PURCHASED OR TRANSFERRED WITH A RELATED PARTY DURING THE FISCAL YEAR ENDED DECEMBER 31, 1997		\$	\$	\$	\$

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: LAKE PLACID UTILITIES INC.

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 _ _ _	\$ 240	\$ 392
Construction Work In Progress		-
Plant Acquisition Adjustment		
Plant Held For Future Use_ _		
Materials and Supplies		
Less:		
Accumulated Depreciation and Accumulated Amortization	47	213
Contributions In Aid Of Construction _(NET)	58	70
Net Book Cost_ _ _ _ _	\$ 135	\$ 109
REVENUES AND EXPENSES (Intrastate Only) (000's Omitted):		
Operating Revenues _ _	\$ 42	\$ 67
Depreciation and Amortization Expense_ _ _ _	\$ 7	\$ 7
Income Tax Expense _ _	7	3
Taxes Other Than Income	2	4
Other Operating Expenses	14	43
Total Operating Expenses	\$ 31	\$ 57
Net Operating Income _	\$ 11	\$ 10
Other Income _ _ _ _ _	\$ 0	\$ 0
Other Income Deductions	4	7
Net Income _ _ _ _ _	\$ 7	\$ 3
CUSTOMERS (Intrastate Only):		
Residential - Yearly Average	116	184
Commercial - Yearly Average_	48	48
Industrial - Yearly Average_		
Others - Yearly Average_ _ _		
Total_ _ _ _ _	164	232
OTHER STATISTICS (Intrastate Only):		
Average Annual Residential Use Per 1,000 Gallons _ _ _		
Average Annual Residential Cost Per 1,000 Gallons_ _ _	\$	\$
Average Residential Monthly Bill _ _ _ _ _	\$	\$
Gross Plant Investment Per Customer_ _ _ _ _	\$ 1,466	\$ 1,688

FINANCIAL

SUMMARY

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-105	Utility Plant_ _ _ _ _	F-5	\$ 631,980	\$ 558,021
108-110	Less: Accumulated Depreciation and Amortization_ _ _ _ _	F-6	<u>260,146</u>	<u>241,661</u>
	Net Plant_ _ _ _ _		\$ <u>371,834</u>	\$ <u>316,360</u>
114-115	Utility Plant Acquisition Adjustments (Net) _ _ _ _ _	F-5	(24,892)	(25,822)
	Other Plant Adj. (Specify) _ _ _ _ _			\$
	Total Net Utility Plant_ _ _ _ _		\$ <u>346,942</u>	\$ <u>290,538</u>
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property_ _ _ _ _	F-7	\$	\$
122	Less: Accumulated Depreciation and Amortization_ _ _ _ _			
	Net Nonutility Property_ _ _ _ _		\$	\$
123	Investment In Associated Companies	F-8		
124	Utility Investments_ _ _ _ _	F-8		
125	Other Investments_ _ _ _ _	F-8		
127	Other Special Funds_ _ _ _ _	F-8		
	Total Other Property & Investments		\$	\$
CURRENT AND ACCRUED ASSETS				
131	Cash_ _ _ _ _		\$ 0	\$ 0
132	Special Deposits_ _ _ _ _	F-7	1,265	1,265
134	Working Funds_ _ _ _ _			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts_ _ _ _ _	F-9	10,703	16,469
145	Accounts Receivable from Associated Companies_ _ _ _ _	F-10		
146	Notes Receivable from Associated Companies_ _ _ _ _	F-10		
151	Material and Supplies_ _ _ _ _			
162	Prepayments_ _ _ _ _	F-11	0	0
171	Accrued Interest and Dividends Receivable_ _ _ _ _		0	0
174	Misc. Current and Accrued Assets		<u>0</u>	<u>0</u>
	Total Current and Accrued Assets		\$ <u>11,968</u>	\$ <u>17,734</u>

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	F-12	\$	\$
182	Extraordinary Property Losses	F-12		
186	Misc. Deferred Debits	F-11	27,127	35,713
190	Accumulated Deferred Income Taxes		<u>6,729</u>	<u>7,299</u>
	Total Deferred Debits		\$ <u>33,856</u>	\$ <u>43,012</u>
	TOTAL ASSETS AND OTHER DEBITS		\$ <u>392,766</u>	\$ <u>351,284</u>

NOTES TO THE BALANCE SHEET

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

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-14	\$ 1,000	\$ 1,000
204	Preferred Stock Issued	F-14		
211	Other Paid-In Capital		228,235	228,235
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-15	(57,195)	(67,170)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
	Total Equity Capital		\$ 172,040	\$ 162,065
LONG TERM DEBT				
221	Bonds	F-16	\$	\$
223	Advances from Associated Companies	F-16		
224	Other Long Term Debt	F-14		
	Total Long Term Debt		\$	\$
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		\$ -	\$ 19
232	Notes Payable	F-13		
233	Accounts Payable to Associated Co.	F-13	66,175	62,667
234	Notes Payable to Associated Co.	F-13		
235	Customer Deposits		960	1,116
236	Accrued Taxes	F-17	3,000	(4,280)
237	Accrued Interest	F-18	42	60
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-19		
	Total Current and Accrued Liabilities		\$ 70,177	\$ 59,582

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium on Debt	F-12	\$	\$
252	Advances for Construction	F-19		
253	Other Deferred Credits			
255	Accumulated Deferred Investment Tax Credits			
	Total Deferred Credits		\$ 0	\$ 0
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	\$ 213,373	\$ 186,837
272	Accumulated Amortization of Contri- butions In Aid of Construction	F-21	85,366	79,248
	Total Net C.I.A.C.		\$ 128,007	\$ 107,589
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 979	\$ 665
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other		21,563	21,383
	Total Accum. Deferred Income Taxes		\$ 22,542	\$ 22,048
	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 392,766	\$ 351,284

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	REF. PAGE (d)	CURRENT YEAR (e)

UTILITY OPERATING INCOME				
400	Operating Revenues -----	\$ 65,308	F-3 (b)	\$ 108,271
401	Operating Expenses -----	\$ 53,944	F-3 (b)	\$ 57,711
403	Depreciation Expense -----	20,925	F-6	20,560
406	Amortization of Utility Plant Acquisition Adjustment -----	(915)		(930)
407	Amortization Expense - of CIA -----	(6,015)		(6,118)
408.1	Taxes Other Than Income -----	4,775	F-17	5,739
409.1	Income Taxes -----	(10,879)	F-17	10,046
410.10	Deferred Income Taxes -----	772	F-17	128
411.10	Provision for Deferred Income Taxes Credit -----		F-17	
412.10	Investment Tax Credits Deferred to Future Periods -----		F-17	
412.11	Investment Tax Credits Restored to Operating Income -----	0	F-17	0
	Utility Operating Expenses -----	\$ 62,607		\$ 87,136
	Utility Operating Income -----	\$ 2,701		\$ 21,135
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)] -----	\$ 2,701		\$ 21,135

COMPARATIVE OPERATING STATEMENT (Cont'd)

REF. PAGE (f)	WATER (g)	REF. PAGE (h)	SEWER (i)	OTHER (j)
W-3	\$ 41,738	S-3	\$ 66,533	\$
W-2	\$ 14,473	S-2	\$ 43,238	\$
F-6	9,250	F-6	11,310	
F-5	(468)	F-5	(462)	
	(2,122)		(3,996)	
F-17	2,213	F-17	3,526	
F-17	7,070	F-17	2,976	
	90		38	
	-		-	
	\$ 30,506		\$ 56,630	\$ -
	\$ 11,232		\$ 9,903	\$ -
	\$ 11,232		\$ 9,903	\$ -

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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)]	\$ 2,701		\$ 21,135
	OTHER INCOME AND DEDUCTIONS			
415	Revenues From Merchandising, Jobbing and Contract Deductions	\$		\$
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest and Dividend Income	(14,023)		104
420	Allowance for Funds Used During Construction	-		3
421	Nonutility Income	67		
426	Miscellaneous Nonutility Expenses			
	Total Other Income and Deductions	\$ (13,956)		\$ 107
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income	\$	F-17	\$
409.20	Income Taxes		F-17	
410.20	Provision for Deferred Income Taxes		F-17	
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net		F-17	
412.30	Investment Tax Credits Restored to Operating Income		F-17	
	Total Taxes Applicable To Other Income	\$		\$
	INTEREST EXPENSE			
427	Interest Expense	\$ 9,892	F-18	\$ 11,267
428	Amortization of Debt Discount & Expens		F-12	
429	Amortization of Premium on Debt		F-12	
	Total Interest Expense	\$ 9,892		\$ 11,267
	EXTRAORDINARY ITEMS			
433	Extraordinary Income	\$		\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items	\$		\$
	NET INCOME	\$ (21,147)		\$ 9,975

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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	\$ 240,473	391,507
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-6	45,380	210,797
110	Accumulated Amortization	F-6	1,703	2,266
271	Contributions In Aid of Construction	F-20	75,738	137,635
252	Advances for Construction	F-19		
	Subtotal		\$ 117,652	40,809
	Additions:			
272	Accumulated Amortization of Contributions In Aid of Construction	F-21	17,551	67,815
	Subtotal		\$ 135,203	108,624
	Plus or Minus:			
114	Acquisition Adjustments (2)	F-5		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-5		
	Working Capital Allowance (3)		1,809	5,405
	Other (Specify):			
	RATE BASE		\$ 137,012	114,029
	UTILITY OPERATING INCOME		\$ 11,232	9,903
	ACHIEVED RATE OF RETURN		8.20%	8.68%

NOTES :

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculate using the Balance Sheet Method, beginning-year end average.

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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	\$ 240,473	\$ 391,507	\$	\$ 631,980
102	Utility Plant Leased to Others	0	0	0	0
103	Property Held for Future Use	0	0	0	0
104	Utility Plant Purchased or Sold	0	0	0	0
105	Construction Work In Progress	0	0	0	0
	Total Utility Plant	\$ 240,473	\$ 391,507	\$	\$ 631,980

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):				
Beginning of year	\$ (12,854)	(12,968)	\$ 0	\$ (25,822)
Recording of Acquisition	0	0	0	0
Total Plant Acquisition Adjs.	\$ (12,854)	(12,968)	\$ 0	\$ (25,822)
ACCUMULATED AMORTIZATION (115):				
Accruals charged during year	\$ 468	462	\$	\$ 930
Total Accumulated Amortization	\$ 468	462	\$ 0	\$ 930
Net Acquisition Adjustments	\$ (12,386)	(12,506)	\$	\$ (24,892)

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ 35,659	\$ 202,679	\$	\$ 238,338
Credit during year:				
Accruals charged to Account 108	\$ 8,909	\$ 11,004	\$	\$ 19,913
Accruals charged other accounts (specify)				
Correction from prior yr.	4,535	0		4,535
Adj per allocation of UIF plant				
Salvage				
Other credits (specify)				
Total credits	\$ 13,444	\$ 11,004	\$ 0	\$ 24,448
Debits during year:				
Book cost of plant retired	\$ 3,723	\$ 2,886	\$	\$ 6,609
Cost of removal	0	0		0
Other debits (specify)	0			0
Allocated from UIF		0		0
Total debits	\$ 3,723	\$ 2,886	\$ 0	\$ 6,609
Balance end of year	\$ 45,380	\$ 210,797	\$ 0	\$ 256,177

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
Balance first of year	\$ 1,363	\$ 1,960	\$ 0	\$ 3,323
Credit during year:				
Accruals charged to Account 110	\$ 341	\$ 306	\$ 0	\$ 647
Other credits (specify)				
Change in asset status	0	0	0	0
Total credits	\$ 341	\$ 306	\$	\$ 647
Debits during year:				
Book cost of plant retired	\$ 0	\$ 0	\$ 0	\$ 0
Other debits (specify)				
Total debits	\$ 0	\$ 0	\$ 0	\$ 0
Balance end of year	\$ 1,703	\$ 2,266	\$	\$ 3,969

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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 -----	\$ 4,432
Sewer -----	6,271
Other -----	
Total Customer Accounts Receivable -----	\$ 10,703
OTHER ACCOUNTS RECEIVABLE (Acct. 142):	
-----	\$ -----

Total Other Accounts Receivable -----	0
NOTES RECEIVABLE (Acct. 144):	
-----	\$ -----

Total Notes Receivable -----	0
Total Accounts and Notes Receivable -----	\$ 10,703
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Acct. 143):	
Balance first of year -----	\$ -----
Add: Provision for uncollectibles 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 -----	\$ 0
Total Accounts and Notes Receivable - Net -----	\$ 10,703

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 145)

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
-----	-----
NONE	\$
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total -----	\$ _____

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (ACCT. 146)

Report each note receivable from associated companies separately.

DESCRIPTION	INTEREST RATE (b)	TOTAL (c)
-----	-----	-----
NONE		\$
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
Total -----		\$ _____

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

PREPAYMENTS (ACCT. 162)

DESCRIPTION (a)	TOTAL (b)
Prepaid Insurance ----- NONE -----	\$ -----
Prepaid Rents -----	-----
Prepaid Interest -----	-----
Prepaid Taxes -----	-----
Other Prepayments (Specify):	
Misc -----	0
<hr/>	
Total Prepayments -----	\$ 0

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION (a)	TOTAL (b)
MISCELLANEOUS DEFERRED DEBITS (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1) -----	\$ 26,302
Other Deferred Debits (Acct. 186.2) -----	825
<hr/>	
Total Miscellaneous Deferred Debits -----	\$ 27,127

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT DECEMBER 31, 1997

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):		
NONE	\$ -----	\$ -----
-----	-----	-----
-----	-----	-----
Total Unamortized Debt Discount and Expense -----	\$ -----	\$ -----
-----	-----	-----
UNAMORTIZED PREMIUM ON DEBT (Acct. 251):		
-----	\$ -----	\$ -----
-----	-----	-----
-----	-----	-----
Total Unamortized Premium on Debt -----	\$ -----	\$ -----
-----	-----	-----

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.

DESCRIPTION (a)	TOTAL (b)

EXTRAORDINARY PROPERTY LOSSES (Acct. 182):	
NONE	\$ -----
-----	-----
-----	-----
Total Extraordinary Property Losses -----	\$ -----
-----	-----

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

NOTES PAYABLE (ACCTS. 232 and 234)

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

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCT. 233)

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
WATER SERVICE CORP.	\$ 66,175

Total	\$ 66,175 =====

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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	\$ (67,170)
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	\$ 0
436	Appropriations of Retained Earnings:	\$ 9,975
	-----	\$
	-----	-
	Total Appropriations of Retained Earnings	\$ 0
	Dividends Declared:	
437	Preferred Stock Dividends Declared	\$
	-----	-
438	Common Stock Dividends Declared	-
	-----	-
	Total Dividends Declared	\$ 0
	Balance end of year	\$ (57,195)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	-----	\$
	-----	-
	-----	-
	Total Appropriated Retained Earnings	\$ 0
	Total Retained Earnings	\$ (57,195) =====

Notes to Statement of Retained Earnings:

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

BONDS (ACCT. 221)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	RATE (b)	FREQUENCY OF PAYMENT (c)	
NONE			\$ - - - - -
			- - - - -
			- - - - -
			- - - - -
			- - - - -
			- - - - -
			- - - - -
			- - - - -
			- - - - -
Total			\$ - - - - -

ADVANCES FROM ASSOCIATED COMPANIES (ACCT. 223)

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
NONE	\$ - - - - -
	- - - - -
	- - - - -
	- - - - -
	- - - - -
	- - - - -
	- - - - -
	- - - - -
Total	\$ - - - - -

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

ACCRUED TAXES (ACCT. 236)

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER (e)	TOTAL (f)
	Balance First of Year	\$ (525)	\$ (3,755)	\$	\$ (4,280)
408.10	Accruals Charged:				
	Utility Regulatory				
408.11	Assessment Fees	\$ 1,197	\$ 1,907	\$	\$ 3,104
408.12	Property Taxes	775	1,235		2,010
408.13	Payroll Taxes	241	384		625
409.10	Other Taxes & Licenses				0
409.11	Federal Income Taxes	6,411	2,699		9,110
410.10	State Income Taxes	659	277		936
	Deferred FIT	0	0		0
	Deferred SIT	90	38		128
	ITC Restored	0	0		0
410.11	Taxes Applicable To Other Income (Accts. 408.2, 409.2, 409.3, 410.2)	\$	\$	\$	\$ 0
	Total Taxes Accrued	\$ 9,373	\$ 6,540	\$ -	\$ 15,913
	Taxes Paid During Year:				
	Utility Regulatory				
408.10	Assessment Fees	\$ 626	\$ 979	\$	\$ 1,604
408.11	Property Taxes	775	1,235		2,010
408.12	Payroll Taxes	241	384		625
408.13	Other Taxes & Licenses	0	0		0
409.10	Federal Income Taxes	6,411	2,699		9,110
409.11	State Income Taxes	(451)	(4,393)		(4,844)
	Deferred FIT	0	0		0
	Deferred SIT	90	38		128
	ITC Restored	0	0		0
	Taxes Applicable To Other Income (Accts. 408.2, 409.2, 409.3, 410.2)	0	0		0
	Total Taxes Paid	\$ 7,692	\$ 942	\$ -	\$ 8,633
	Balance End of Year	\$ 1,157	\$ 1,844	\$ 0	\$ 3,000

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

ACCRUED INTEREST (ACCT. 237)

DESCRIPTION OF DEBT (a)	INTEREST ACCRUED DURING YEAR			INTEREST PAID DURING YEAR (d)	BALANCE END OF YEAR (f)
	BALANCE BEGINNING OF YEAR (b)	ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - ACCRUED INTEREST ON LONG TERM DEBT:	\$ 0			\$ 0	0
UTILITIES, INC.	0				0
INTERCOMPANY INTEREST	0		11,267	11,267	0
	0				0
	0				0
Total Account No. 237.1	\$ 0		11,267	\$ 11,267	0
ACCOUNT NO. 237.2 - ACCRUED INTEREST ON OTHER LIABILITIES:	\$ 0			\$ 0	0
Misc Items	60		(18)		42
	0				0
	0				0
	0				0
	0				0
Total Account No. 237.2	\$ 60		(18)	\$ 0	42
Total Account No. 237_ _	\$ 60		\$ 11,249	\$ 11,267	42

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)
NONE	\$ _____			

Total	\$ _____			

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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_ _ _ _	\$ 64,685	122,152		186,837
Add credits during year:				
Contributions received from Capacity, Main Extension and Customer Connection Charges (Schedule "A") _ _	\$ -	817		817
Contributions received from Developer or Contractor Agreements in cash or property (Schedule "B") _	11,053	14,666		25,719
 Total Credits_ _ _ _ _	\$ 11,053	15,483	-	26,536
Less debits charged during the year (All debits charged during the year must be explained below)	\$			
Total Contributions In Aid of Construction_ _ _ _ _	\$ 75,738	137,635	-	213,373

Explain all debits charged to Account 271 below:

N/A

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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 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 the group members.

DESCRIPTION (a)	REF (b)	AMOUNT (c)
Net income for the year		\$ 9,975
Reconciling items for the year:		
Taxable income not reported on books:		
TAP FEES		0
Deductions recorded on books not deducted for return:		
Net Change - Deferred Maintenance		(825)
Net Change - Rate Case		9,411
Excess Tax Depreciation over Book Depreciation		(2,325)
Current FIT		9,110
Deferred FIT		0
Deferred SIT		1,064
Income recorded on books not included in return:		
Turnaround of Prior Year's - Deferred Maintenance		0
Interest During Construction		0
Turnaround of Prior Year's - Rate Case		
Deduction on return not charged against book income:		
Organization Exp		383
Federal tax net income		\$ 26,793
Computation of tax:		-----
26,793		
348		
9,110		

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

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

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	\$ 34,311	49.67 %	11.29 %	5.61 %
Preferred Stock	0	0.00 %	0.00 %	0.00 %
Long Term Debt	33,557	48.58 %	9.52 %	4.62 %
Customer Deposits	192	0.28 %	6.50 %	0.02 %
Tax Credits - Zero Cost	0	0.00 %	0.00 %	0.00 %
Tax Credits - Weighted Cc	0	0.00 %	0.00 %	0.00 %
Deferred Income Taxes	1,022	1.48 %	0.00 %	0.00 %
Other (Explain)	0	0.00 %	0.00 %	0.00 %
Total	\$ 69,082	100.00 %		10.25 %

- (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:	<u>10.25</u> %
Commission order approving AFUDC rate:	<u>PSC-95-1490-FOF-WS</u>

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

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

SCHEDULE "B"

SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURIS. ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS (e)	CAPITAL STRUCTURE USED FOR AFUDC CALCULATION (f)
Common Equity	\$ 34,311	\$ 0	\$ 0	\$ 0	\$ 34,311
Preferred Stock	0	0	0	0	0
Long Term Debt	33,557	0	0	0	33,557
Customer Deposits	192	0	0	0	192
Tax Credits - Zero Cost	0	0	0	0	0
Tax Credits - Weighted	0	0	0	0	0
Cost of Capital	0	0	0	0	0
Deferred Income Taxes	1,022	0	0	0	1,022
Other (Explain)	0	0	0	0	0
Total	\$ 69,082	\$ 0	\$ 0	\$ 0	\$ 69,082

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

NOT APPLICABLE

**WATER
OPERATION
SECTION**

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)
301	Organization	\$ 13,624	\$ 0	\$
302	Franchises	0	0	
303	Land and Land Rights	2,707	0	
304	Structures and Improvements	27,723	0	
305	Collecting and Impounding Reservoirs	0	0	
306	Lake, River and Other Intakes	0	0	
307	Wells and Springs	19,696	215	
308	Infiltration Galleries and Tunnels	0	0	
309	Supply Mains	0	0	
310	Power Generation Equipment	0	0	
311	Pumping Equipment	22,492	4,636	
320	Water Treatment Equipment	5,147	1,229	
330	Distribution Reservoirs and Standpipes	0	0	388
331	Transmission and Distribution Mains	26,584	1,580	664
333	Services	0	0	
333	Services	37,768	12,191	880
334	Meters and Meter Installations	20,956	2,019	296
334	Meters and Meter Installations	14,344	3,925	1,495
335	Hydrants	1,200	0	
339	Other Plant and Miscellaneous Equipment	0	0	
340	Office Furniture and Equip.	0	0	
341	Transportation Equipment	0	0	
342	Stores Equipment	0	0	
343	Tools, Shop and Garage Equip.	419	0	
344	Laboratory Equipment	360	1	
345	Power Operated Equipment	0	0	
346	Communication Equipment	553	0	
347	Miscellaneous Equipment	0	0	
348	Other Tangible Plant (from UIF)	5,122	19,705	
	Total Water Plant	\$ 198,695	\$ 45,501	\$ 3,723

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

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)
\$ 13,624	\$ 13,624	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	\$ XXXXXXXXXXXXX
0	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
2,707	XXXXXXXXXXXXXX	2,707	0	0	0
27,723	XXXXXXXXXXXXXX	27,723	0	0	0
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
19,911	XXXXXXXXXXXXXX	19,911	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
27,128	XXXXXXXXXXXXXX	27,128	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
5,988	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	5,988	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX
27,500	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	27,500	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0	XXXXXXXXXXXXXX
49,079	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	49,079	XXXXXXXXXXXXXX
22,679	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	22,679	XXXXXXXXXXXXXX
16,774	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	16,774	XXXXXXXXXXXXXX
1,200	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	1,200	XXXXXXXXXXXXXX
0	0	0	0	0	XXXXXXXXXXXXXX
0	0	0	0	0	XXXXXXXXXXXXXX
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0
419	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	419
361	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	361
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0
553	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	553
0	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	0
24,827	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	24,827
\$ 240,473	\$ 13,624	77,469	5,988	117,232	26,160
=====	=====	=====	=====	=====	=====

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

WATER UTILITY EXPENSE ACCOUNTS

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	\$ 2,700	594	162
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits	453	100	27
610	Purchased Water			XXXXXXXXXXXX
615	Purchased Power	1,588	1,588	XXXXXXXXXXXX
616	Fuel for Power Purchased			XXXXXXXXXXXX
618	Chemicals	1,223		
620	Materials and Supplies	1,274	510	127
631	Contractual Services - Eng.	2		
632	Contractual Services - Acct.	123		
633	Contractual Services - Legal	19		
634	Contractual Services - Management Fees	40		
635	Contractual Services - Other	379		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses	987	217	59
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workman's Compensation			
659	Insurance - Other	379	83	23
660	Advertising Expense		XXXXXXXXXXXX	XXXXXXXXXXXX
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	3,656	XXXXXXXXXXXX	XXXXXXXXXXXX
667	Regulatory Commission Expenses - Other	-	XXXXXXXXXXXX	XXXXXXXXXXXX
670	Bad Debt Expense	39	XXXXXXXXXXXX	XXXXXXXXXXXX
675	Miscellaneous Expenses	1,611		
	Total Water Utility Expenses	\$ 14,473	\$ 3,092	\$ 398

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)
601	\$ 594	162	945	243		
603						
604	100	27	159	40		
610	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
615		XXXXXXXXXXXX		XXXXXXXXXXXX		
616		XXXXXXXXXXXX		XXXXXXXXXXXX		
618	1,223				XXXXXXXXXXXX	XXXXXXXXXXXX
620			535	102		
631			2			
632						
633						123
634						19
635					40	
641					190	189
642						
650	217	59	345	90		
656						
657						
658						
659	83	23	133	34		
660	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
666	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	
667						3,656
670	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	39	0
675					805	XXXXXXXXXXXX
	<u>\$ 2,217</u>	<u>\$ 271</u>	<u>\$ 2,119</u>	<u>\$ 509</u>	<u>\$ 1,074</u>	<u>\$ 806</u>
						<u>4,793</u>

UTILITY NAME: LAKE PLACID 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	163	164	\$ 41,612
461.2	Metered Sales to Commercial Customers			
461.3	Metered Sales to Industrial Customers			
461.4	Metered Sales to Public Authorities			
461.5	Metered Sales to Multiple Family Dwellings			
	Total Metered Sales	163	164	\$ 41,612
	Fire Protection Revenue:			
462.1	Public Fire Protection			\$
462.2	Private Fire Protection			
	Total Fire Protection Revenue			\$
464	Other Sales To Public Authorities			\$
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
	Totals	163	164	\$ 41,612
	Other Water Revenues:			
469	Guaranteed Revenues			\$
470	Forfeited Discounts			0
471	Miscellaneous Service Revenues			126
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 126
	Total Water Operating Revenues			\$ 41,738

UTILITY NAME: LAKE PLACED 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 (e)
304	Structures and Improvements		%	3.03%
305	Collecting and Impounding Reservoirs		%	
306	Lake, River and Other Intakes		%	
307	Wells and Springs		%	3.33%
308	Infiltration Galleries and Tunnels		%	
309	Supply Mains		%	
310	Power Generation Equipment		%	
311	Pumping Equipment		%	5.00%
320	Water Treatment Equipment		%	4.55%
330	Distribution Reservoirs and Standpipes		%	2.70%
331	Transmission and Distribution Mains		%	2.33%
333	Services		%	2.50%
334	Meters and Meter Installations		%	5.00%
335	Hydrants		%	2.22%
339	Other Plant and Miscellaneous Equipment		%	
340	Office Furniture and Equip.		%	
341	Transportation Equipment		%	
342	Stores Equipment		%	
343	Tools, Shop and Garage Equip.		%	6.25%
344	Laboratory Equipment		%	6.67%
345	Power Operated Equipment		%	
346	Communication Equipment		%	10.00%
347	Miscellaneous Equipment		%	
348	Other Tangible Plant		%	
	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: LAKE PLACID 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)
304	Structures and Improvements _	\$ 4,504	\$ 1,123	\$ (284)	\$ 839
305	Collecting and Impounding Reservoirs _ _ _ _ _	0	0	0	0
306	Lake, River and Other Intakes	0	0	0	0
307	Wells and Springs _ _ _ _ _	5,598	656	0	656
308	Infiltration Galleries and Tunnels _ _ _ _ _	0	0	0	0
309	Supply Mains _ _ _ _ _	0	0	0	0
310	Power Generation Equipment _	0	0	0	0
311	Pumping Equipment _ _ _ _ _	5,491	1,357	0	1,357
320	Water Treatment Equipment _	1,466	273	0	273
330	Distribution Reservoirs and Standpipes _ _ _ _ _	0	0	0	0
331	Transmission and Distribution Mains _ _ _ _ _	2,463	743	0	743
333	Services _ _ _ _ _	0	0	0	0
334	Meters and Meter Installations	4,379	880	0	880
335	Hydrants _ _ _ _ _	3,629	543	0	543
339	Other Plant and Miscellaneous Equipment _ _ _ _ _	4,186	748	0	748
340	Office Furniture and Equip. _	235	26	0	26
341	Transportation Equipment _ _	0	0	0	0
342	Stores Equipment _ _ _ _ _	0	0	0	0
343	Tools, Shop and Garage Equip.	131	126	(99)	27
344	Laboratory Equipment _ _ _ _ _	49	24	0	24
345	Power Operated Equipment _ _	0	0	0	0
346	Communication Equipment _ _	55	88	(32)	56
347	Miscellaneous Equipment _ _ _	0	0	0	0
348	Other Tangible Plant	0	0	0	0
		3,473	2,322	4,950	7,272
		0			
	Total Depreciable Water Plant In Service	\$ 35,659	\$ 8,909	\$ 4,535	\$ 13,444

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

The "Other Credits (e)" in 1997 are the result of a change related to allocation of UIF plant.

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)
\$ 0	\$	\$	\$	\$ 0	\$ 5,343
0				0	0
0				0	0
0				0	0
0				0	6,254
0				0	0
0				0	0
0				0	0
0				0	0
0				0	6,848
388				388	1,351
0				0	0
664				664	2,542
0				0	0
880				880	4,379
296				296	3,876
1,495				1,495	3,439
0				0	261
0				0	0
0				0	0
0				0	0
0				0	0
0				0	0
0				0	158
0				0	73
0				0	0
0				0	111
0				0	0
0				0	10,745
0				0	0
<u>\$ 3,723</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,723</u>	<u>\$ 45,380</u>

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: LAKE PLACID UTILITIES INC.

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

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	-----	.974	-----	-----	0.945
February	-----	1.084	-----	-----	1.115
March	-----	1.122	-----	-----	1.120
April	-----	.823	-----	-----	1.013
May	-----	.679	-----	-----	.451
June	-----	.523	-----	-----	.362
July	-----	.593	.110	-----	.498
August	-----	.480	.080	-----	.355
September	-----	.585	-----	-----	.449
October	-----	.618	.140	-----	.471
November	-----	.719	-----	-----	.484
December	-----	.872	.140	-----	.553
Total for	=====	9.072	.470	8.602	7.816

If water is purchased for resale, indicate the following:

Vendor NONE

Point of delivery _____

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

N/A

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY SYSTEM: LAKE PLACID UTILITIES, INC.

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

WATER TREATMENT PLANT INFORMATION

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

LIME TREATMENT

Unit rating (GPM): _____ Manufacturer: _____

FILTRATION

Type and area: Pressure ---> Square Feet: _____
 Gravity ---> GPM/Square Feet: _____

MAINS

TYPE OF PIPE (Galvanized, Cast Iron, PVC, Etc.)	DIAMETER OF PIPE (in inches)	MAINS BEGINNING OF YEAR (in feet)	ADDITIONS	RETIREMENTS	MAINS END OF YEAR (in feet)
P.V.C.	4"	2250	657	-----	2907
P.V.C.	6"	3090	-----	-----	3090
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----
Total feet of mains	-----	5340	657	-----	5997
	=====	=====	=====	=====	=====

SERVICES AND METERS

METERS IN SERVICE	METERS BEGINNING OF YEAR	ADDITIONS	RETIREMENTS	METERS END OF YEAR
5/8" - 3/4"	83	1	-----	84
1"	3	-----	-----	3
1 1/2"	1	-----	-----	1
2"	-----	-----	-----	-----
3"	2	-----	-----	2
4"	2	-----	-----	2
6"	-----	-----	-----	-----
8"	-----	-----	-----	-----
Other (Specify): _____	-----	-----	-----	-----
Total meters in service	91	-----	-----	92
Total meters in stock	=====	=====	=====	=====
Number of services in use	91	=====	=====	92
	=====	=====	=====	=====

UTILITY NAME: LAKE PLACID UTILITIES, INC.

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

YEAR OF REPORT DECEMBER 31, 1997

WELLS AND WELL PUMPS

(a)	(b)	(c)	(d)	(e)
Year Constructed _ _ _	1969	1969	-----	-----
Types of Well Construction and Casing _ _ _ _ _	Galvanized Steel	Galvanized Steel	-----	-----
Depth of Wells	423'	1255'	-----	-----
Diameters of Wells	6"	6" & 5"	-----	-----
Pump - GPM	200 GPM	200 GPM	-----	-----
Motor - HP	-----	-----	-----	-----
Yields of Wells in GPD	576,000	-----	-----	-----
Auxiliary Power _ _ _	-----	-----	-----	-----

RESERVOIRS

(a)	(b)	(c)	(d)	(e)
Description (steel, concrete or pneumatic) _ _ _ _	Steel	-----	-----	-----
Capacity of Tank _ _ _	5000	-----	-----	-----
Ground or Elevated _ _	Ground	-----	-----	-----

HIGH SERVICE PUMPING

MOTORS (a)	(b)	(c)	(d)	(e)
Manufacturer _ _ _ _ _	N/A	-----	-----	-----
Type _ _ _ _ _	-----	-----	-----	-----
Rated Horsepower _ _	-----	-----	-----	-----
PUMPS	-----	-----	-----	-----
Manufacturer _ _ _ _ _	-----	-----	-----	-----
Type _ _ _ _ _	-----	-----	-----	-----
Capacity in GPM _ _ _	-----	-----	-----	-----
Average Number Of Hours Operated Per Day _ _	-----	-----	-----	-----
Auxiliary Power _ _ _	-----	-----	-----	-----

UTILITY SYSTEM: LAKE PLACID UTILITIES, INC.

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1997

SOURCE OF SUPPLY

List for each source of supply:

Gals. per day of source	576,000	-----	-----	-----	-----
Type of source	2 wells	-----	-----	-----	-----

WATER TREATMENT FACILITIES

List for each water treatment facility:

Type	Chlorination	-----	-----	-----	-----
Make	-----	-----	-----	-----	-----
Gals. per day capacity	576,000	-----	-----	-----	-----
Method of measurement	Flow Meters	-----	-----	-----	-----

OTHER WATER SYSTEM INFORMATION

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

- | | | | |
|---|------|-------|-------|
| 1. Present ERC's * that system can efficiently serve. | 1129 | ----- | ----- |
| 2. Estimated annual increase in ERC's * . | 0/5 | ----- | ----- |
| 3. List fire fighting facilities and capacities. | None | ----- | ----- |
| 4. List percent of certificated area where service connections are installed (total for each county). | 10% | ----- | ----- |
| 5. What is the current need for system upgrading and/or expansion? | None | ----- | ----- |
| 6. What are plans for future system upgrading and/or expansion? | None | ----- | ----- |
| 7. Have questions 6 and 7 been discussed with an engineer (if so, state name and address)? | No | ----- | ----- |
| 8. Have questions 6 and 7 been discussed with appropriate state sanitary engineering office? | No | ----- | ----- |

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

UTILITY SYSTEM: LAKE PLACID UTILITIES, INC.

YEAR OF REPORT
DECEMBER 31, 1997

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

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	84	84
3/4"	Displacement	1.5	---	---
1"	Displacement	2.5	3	7.5
1 1/2"	Displacement or Turbine	5.0	1	5
2"	Displacement, Compound or Turbine	8.0	---	---
3"	Displacement	15.0	---	---
3"	Compound	16.0	---	---
3"	Turbine	17.5	2	35
4"	Displacement or Compound	25.0	---	---
4"	Turbine	30.0	2	60
6"	Displacement or Compound	50.0	---	---
6"	Turbine	62.5	---	---
8"	Compound	80.0	---	---
8"	Turbine	90.0	---	---
10"	Compound	115.0	---	---
10"	Turbine	145.0	---	---
12"	Turbine	215.0	---	---
Total Water System Meter Equivalents				191.5

CALCULATION OF THE WATER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

(9.072 / 365 days) / 350 gpd =71
(total gallons sold)

**SEWER
OPERATION
SECTION**

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS* (d)	RETIREMENTS (e)
351	Organization_ _ _ _ _	\$ 10,994	\$ 0	\$
352	Franchises_ _ _ _ _	1,250	0	
353	Land and Land Rights_ _ _ _ _	21,665	0	
354	Structures and Improvements_ _ _ _ _	56,516	0	
360	Collection Sewers - Force_ _ _ _ _	41,790	0	
361	Collection Sewers - Gravity_ _ _ _ _	34,905	14,954	
362	Special Collecting Structures_ _ _ _ _	0	0	
363	Services to Customers_ _ _ _ _	14,564	1,624	
364	Flow Measuring Devices_ _ _ _ _	0	0	
365	Flow Measuring Installations_ _ _ _ _	0	0	
370	Receiving Wells_ _ _ _ _	0	0	
371	Pumping Equipment_ _ _ _ _	107,269	11,151	1,951
380	Treatment and Disposal Equip._ _ _ _ _	0	0	
381	Plant Sewers_ _ _ _ _	68,433	7,338	935
382	Outfall Sewer Lines_ _ _ _ _	1,940	0	
389	Other Plant and Miscellaneous Equipment_ _ _ _ _	0	0	
390	Office Furniture and Equip._ _ _ _ _	0	0	
391	Transportation Equipment_ _ _ _ _	0	0	
392	Stores Equipment_ _ _ _ _	0	0	
393	Tools, Shop and Garage Equip._ _ _ _ _	0	0	
394	Laboratory Equipment_ _ _ _ _	0	0	
395	Power Operated Equipment_ _ _ _ _	0	0	
396	Communication Equipment_ _ _ _ _	0	0	
397	Miscellaneous Equipment_ _ _ _ _	0	0	
398	Other Tangible Plant_ _ _ _ _	0	0	
	Total Sewer Plant_ _ _ _ _	\$ 359,326	\$ 35,067	\$ 2,886

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

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

SEWER UTILITY EXPENSE ACCOUNTS

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)
701	Salaries and Wages - Employees	\$ 4,245	\$ 127	\$ 509
703	Salaries and Wages - Officers, Directors and Majority Stockholders			
704	Employee Pensions and Benefits	722	22	51
710	Purchased Sewage Treatment			XXXXXXXXXXXX
711	Sludge Removal Expense	2,730		XXXXXXXXXXXX
715	Purchased Power	3,383		XXXXXXXXXXXX
716	Fuel for Power Purchased			
718	Chemicals	1,949		
720	Materials and Supplies	18,685	747	2,990
731	Contractual Services - Eng.	4		
732	Contractual Services - Acct.	195		
733	Contractual Services - Legal	31		
734	Contractual Services - Management Fees	63		
735	Contractual Services - Other	602		
742	Rental of Equipment			
	Property			
750	Transportation Expenses	1,571	47	189
756	Insurance - Vehicle			
757	Insurance - General Liability			
758	Insurance - Workman's Compensation			
759	Insurance - Other	604		
760	Advertising Expense		XXXXXXXXXXXX	XXXXXXXXXXXX
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	5,827	XXXXXXXXXXXX	XXXXXXXXXXXX
767	Regulatory Commission Expenses - Other	0	XXXXXXXXXXXX	XXXXXXXXXXXX
770	Bad Debt Expense	61	XXXXXXXXXXXX	XXXXXXXXXXXX
775	Miscellaneous Expenses	2,566		
	Total Sewer Utility Expenses	\$ 43,238	\$ 943	\$ 3,739

SEWER EXPENSE ACCOUNT MATRIX

.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT DISPOSAL EXPENSES - MAINTENANCE (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
\$ 849	\$ 212	\$ 2,038	\$ 510	\$	\$
87 XXXXXXXXXXXXX	\$ 36 XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	\$ 217 XXXXXXXXXXXXX 2,730 2,537	\$ 87 XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	222 XXXXXXXXXXXXX XXXXXXXXXXXXX	XXXXXXXXXXXXX XXXXXXXXXXXXX
846		1,949 7,474 4	1,869		
4,484	1,121				195 31
				63 301	301
314	79	754	188		
XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX	604 - - - 5,827
XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX	XXXXXXXXXXXXX	61 1,283	XXXXXXXXXXXXX 1,283
\$ 6,580	\$ 1,448	\$ 17,703	\$ 2,654	\$ 1,930	\$ 8,241

UTILITY NAME: LAKE PLACID 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	232	232	\$ 66,341
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	232	232	\$ 66,341
522.1	Residential Revenues			
522.2	Commercial Revenues			\$
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues			\$
	Total Measured Revenues			\$
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Totals	232	232	\$ 66,341
Other Sewer Revenues:				
530	Guaranteed Revenues			\$
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Sewer Property			
535	Interdepartmental Rents			
536	Other Sewer Revenues			192
	Total Other Sewer Revenues			\$ 192
	Total Sewer Operating Revenues			\$ 66,533

UTILITY NAME: LAKE PLACID 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)
354	Structures and Improvements	\$ 29,083	\$ 1,769	\$ 0	\$ 1,769
360	Collection Sewers - Force	33,701	1,392	0	1,392
361	Collection Sewers - Gravity	18,857	775	0	775
362	Special collecting Structures	0	0	0	0
363	Services to Customers	6,475	383	0	383
364	Flow Measuring Devices	0	0	0	0
365	Flow Measuring Installations	0	0	0	0
370	Receiving Wells	0	0	0	0
371	Pumping Equipment	75,509	4,652	0	4,652
380	Treatment and Disposal Equip.	0	0	0	0
381	Plant Sewers	37,579	1,968	0	1,968
382	Outfall Sewer Lines	1,422	65	0	65
389	Other Plant and Miscellaneous	0	0	0	0
331	Equipment	0	0	0	0
390	Office Equipment and Equip.	0	0	0	0
391	Transportation Equipment	0	0	0	0
392	Stores Equipment	0	0	0	0
393	Tools, Shop and Garage Equip.	53	0	0	0
394	Laboratory Equipment	0	0	0	0
395	Power Operated Equipment	0	0	0	0
396	Communication Equipment	0	0	0	0
397	Misc Equip (Org & Franchises)	0	0	0	0
398	Other Tangible Plant	0	0	0	0
		0	0	0	0
	Total Depreciable Sewer Plant In Service	\$ 202,679	\$ 11,004	\$ 0	\$ 11,004

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

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY SYSTEM: LAKE PLACID UTILITIES, INC.

PUMPING EQUIPMENT

	1	2	3			
Lift station number	1	2	3			
Make or type and nameplate data of pump						
2 Pumps at each lift station						
Year installed						
Rated capacity						
Size	7 1/2	7 1/2 &	7 1/2			
Power:	Both	5	Both			
Electric	X	X	X			
Mechanical						
Nameplate data of motor		Goulds				
Lift station number						
Make or type and nameplate data of pump						
Year installed						
Rated capacity						
Size						
Power:						
Electric						
Mechanical						
Nameplate data of motor						

SERVICE CONNECTIONS

	1	2	3			
Size (inches)	4"					
Type (PVC, VCP, etc.)						
Average length						
Number of active service connections						
Beginning of year	160					
Added during year						
Retired during year						
End of year	160					
Give full particulars concerning inactive connections						

UTILITY NAME: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY SYSTEM: LAKE PLACID UTILITIES, INC.

COLLECTING MAINS

COLLECTING MAINS:							
Size (inches_	---	8" PVC	8" DIP	---	---	---	---
Type of main_	---	GRAVITY	GRAVITY	---	---	---	---
Length of main (nearest foot):							
Beginning of year	---	2398	0	---	---	---	---
Added during year	---	262	397	---	---	---	---
Retired during year	---	---	---	---	---	---	---
End of year	---	2660	397	---	---	---	---
MANHOLES:							
Size_	---	4'		---	---	---	---
Type_	---	CONCRETE		---	---	---	---
Number:							
Beginning of year	---	---	---	---	---	---	---
Added during year	---	4	---	---	---	---	---
Retired during year	---	---	---	---	---	---	---
End of year	---	4	---	---	---	---	---

FORCE MAINS

FORCE MAINS:							
Size (inches_	---	4"	8"	---	---	---	---
Type of main_	---	PVC	PVC	---	---	---	---
Length of main (nearest foot):							
Beginning of year	---	3920	3320	---	---	---	---
Added during year	---	---	---	---	---	---	---
Retired during year	---	---	---	---	---	---	---
End of year	---	3920	3320	---	---	---	---

Note 1: Collecting Mains - 8" DIP Gravity End of Year total includes only the feet added during 1997.

Note 2: Manholes - End of Year includes only the manholes added during 1997.

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY NAME: LAKE PLACID UTILITIES INC.

SYSTEM NAME: LAKE PLACID UTILITIES, INC.

TREATMENT PLANT

Manufacturer	MAROLF			
Type	Extended Aeration			
"Steel" or "Concrete"	Concrete			
Total Capacity	100,000 GPD			
Average Daily Flow	.018			
Effluent Disposal				
Total Gallons of Sewage Treated	6.711			

MASTER LIFT STATION PUMPS

Manufacturer					
Capacity					
Motor : Mfr.					
Horsepower					
Power (Electric or Mechanical)					

OTHER SEWER SYSTEM INFORMATION

1. Maximum number of ERC's * which can be served. 327

2. Estimated annual increase in ERC's *. 10

3. List permit numbers required by Chapter 17-4, Rules of the Department of Environmental Regulation (DER) for systems in operation.

4. State any plans and estimated completion dates for any enlargements of this system. None

5. If present systems do not meet the requirements of Chapter 17-4, Rules of the DER, submit the following: N/A

a. Evaluation of the present plant or plants in regard to meeting the DER rules.

b. Plans for funding and construction of the required upgrading.

c. Have these plans been coordinated with the DER?

d. Do they concur?

e. When will construction begin?

6. 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: LAKE PLACID UTILITIES INC.

YEAR OF REPORT
DECEMBER 31, 1997

UTILITY SYSTEM: LAKE PLACID UTILITIES INC

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	160*	160
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	---	---
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	---	---
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				160

*74 are flat fee - not metered

CALCULATION OF THE SEWER SYSTEMS EQUIVALENT RESIDENTIAL CONNECTIONS

$$(6.711 / 365 \text{ days}) / 275 \text{ gpd} = 67$$

(total gallons treated)