

SCANNED

CLASS "A" OR "B"

WATER and/or WASTEWATER UTILITIES

(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

MHC Systems, Inc.

Exact Legal Name of Respondent

353-W / 309 -S

Certificate Numbers

Submitted To The

STATE OF FLORIDA

RECEIVED

APR 28 2000

Florida Public Service Commission
Division of Water and Wastewater



WS743-00-AR

MHC SYSTEMS, INC. (Filed as part of N Ft. Myers Utility)

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1999

ORIGINAL COPY
DIVISION OF
WATER AND SEWER
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Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
CHRISTINE R. CHRISTIAN, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ERIC M. DOAN, C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
HOLLY M. TOWNER, C.P.A.
JAMES L. WILSON, C.P.A.

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

April 26, 2000

Officers and Directors
MHC Systems, Inc.

We have compiled the 1999 Annual Report of MHC Systems, 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 MHC Systems, 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

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 Wastewater Utilities (USOA).
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 truly 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 should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which will create 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 of the page 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. Water and wastewater system pages should be grouped together by system and all pages in the water and wastewater sections should be numbered consecutively at the bottom of the page where noted. For example, if the water system pages total 50 pages, they should be grouped by system and numbered from 1 to 50.
11. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
12. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
13. The report should be filled out in quadruplicate and the original 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 Wastewater
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility

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EXECUTIVE

SUMMARY

CERTIFICATION OF ANNUAL REPORT

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT December 31, 1999

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. ()
-------------	-------------	-------------	-------------

N/A

(signature of the chief executive officer of the utility)

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

(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

YEAR OF REPORT December 31, 1999

MHC Systems, Inc.
 (Exact Name of Utility)

County: Lee

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

P.O. Box 4535

North Fort Myers, Florida 33903

Telephone: (941) 731-5565

e-Mail Address: N/A

WEB Site: N/A

Sunshine State One-Call of Florida, Inc. Member Number N/A

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

Robert C. Nixon, CPA

Cronin, Jackson, Nixon & Wilson, CPA's, PA

2560 Gulf-to-Bay Blvd, Suite 200

Clearwater, Florida 34625

Telephone: (727) 791-4020

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

4415 Tamiami Trail

North Fort Myers, Florida 33903

Telephone: (941) 731-5565

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

Cronin, Jackson, Nixon and Wilson, CPA's

Coopers & Lybrand

Date of original organization of the utility:

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.	MHC Systems, Inc.	100.0	%
2.			%
3.			%
4.			%
5.			%
6.			%
7.			%
8.			%
9.			%
10.			%

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT

December 31, 1999

DIRECTORY OF PERSONNEL WHO CONTACT THE FLORIDA PUBLIC SERVICE COMMISSION

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Thomas Keenan	Regional Vice President	MHC Systems, Inc.	All purposes
Joette Clark	Controller	MHC Systems, Inc.	Financial
Robert C. Nixon	CPA	Cronin, Jackson, Nixon and Wilson, CPA's	Accounting & rate matters
Ellen Kelleher	General Counsel	MHC, Inc.	Legal matters

(1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.

(2) Provide individual telephone numbers if the person is not normally reached at the company.

(3) Name of company employed by if not on general payroll.

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

COMPANY PROFILE

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

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

(A) The Company began operations in 1980 in Lake Fairways and now also serves Pine Lakes, located adjacent to Lake Fairways. Both are manufactured home subdivisions. In October, 1994, the Company was sold to MHC Systems, Inc.

(B) The Company provides water, sewer and garbage services.

(C) To provide adequate water and sewer service to customers and a fair rate of return to the owners.

(D) Water, sewer, garbage and recycling

(E) None - System is built-out

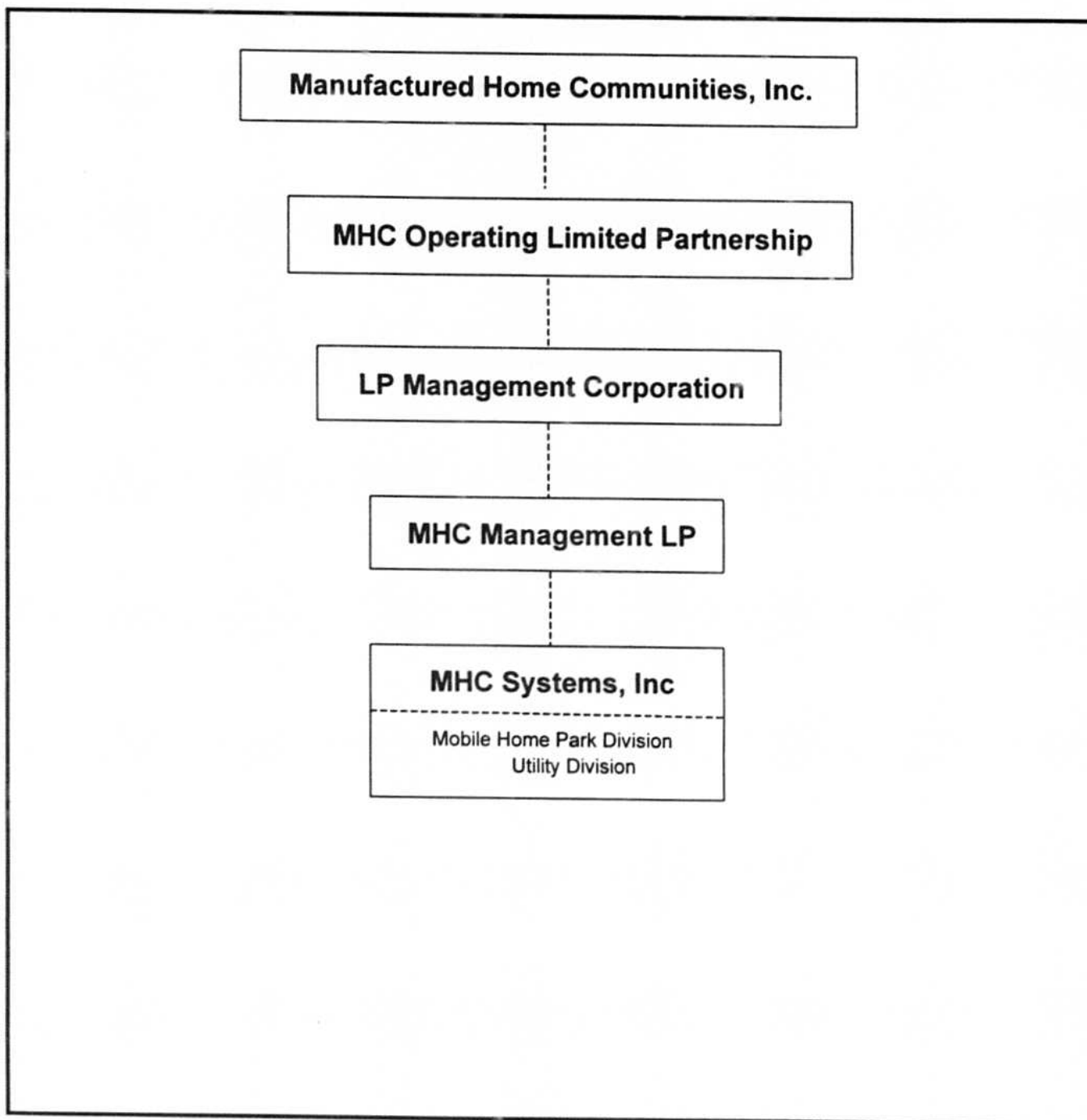
(F) On February 29, 2000, the Utility was sold to N. Fort Myers Utility, Inc.

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

PARENT / AFFILIATE ORGANIZATION CHART
Current as of 12/31/99

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



UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT

December 31, 1999

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)
Thomas Keenan	Regional Vice President	2 %	\$ None
Ellen Kelleher	General Counsel	2 %	\$ None
Thomas Heneghan	Chief Financial Officer	5 %	\$ None
Joette Clark	Controller	20 %	\$ None
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$
		%	\$

COMPENSATION OF DIRECTORS

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

NAME (a)	TITLE (b)	NUMBER OF DIRECTORS MEETINGS ATTENDED (c)	DIRECTORS COMPENSATION (d)
N/A			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES

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

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

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

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

AFFILIATION OF OFFICERS AND DIRECTORS

For each of the officials listed on page E-6, list the principal 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)	PRINCIPAL OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
Thomas Heneghan	Officer	Chief Financial Officer	MHC, Inc. and Affiliates 2 North Riverside Plaza Chicago, IL 60606
Ellen Kelleher	Attorney	General Counsel	MHC, Inc. and Affiliates 2 North Riverside Plaza Chicago, IL 60606
Thomas Keenan	Officer	Regional Vice President	MHC, Inc. and Affiliates 2 North Riverside Plaza Chicago, IL 60606
Joette Clark	Controller	Controller	MHC Systems, Inc 10200 Pine Lakes Blvd. North Ft. Myers, FL 33903

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

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

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

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

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT

December 31, 1999

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)
Manufactured Home Communities, Inc.	Management, accounting and legal services	Open	P	\$ 86,900

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
December 31, 1999

BUSINESS TRANSACTIONS WITH RELATED PARTIES

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		\$	\$	\$	\$

FINANCIAL SECTION

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	CURRENT YEAR (d)	PREVIOUS YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 5,584,019	\$ 5,557,396
108-110	Less: Accumulated Depreciation and Amortization	F-8	(2,339,320)	(2,175,125)
Net Plant			3,244,699	3,382,271
114-115	Utility Plant Acquisition Adjustments (Net)	F-7		
116*	Other Plant Adjustments (specify)			
Total Net Utility Plant			3,244,699	3,382,271
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9		
122	Less: Accumulated Depreciation and Amortization			
Net Nonutility Property				
123	Investment in Associated Companies	F-10		
124	Utility Investments	F-10		
125	Other Investments	F-10		
126-127	Special Funds	F-10		
Total Other Property and Investments				
CURRENT AND ACCRUED ASSETS				
131	Cash			
132	Special Deposits	F-9		
133	Other Special Deposits	F-9		
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectable Accounts	F-11	2,237	4,680
145	Accounts Receivable from Associated Companies	F-12	1,579,449	1,340,307
146	Notes Receivable from Associated Companies	F-12		
151-153	Materials and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172*	Rents Receivable			
173*	Accrued Utility Revenues			
174	Misc. Current and Accrued Assets	F-12	6,115	6,115
Total Current and Accrued Assets			1,587,801	1,351,102

* Not Applicable for Class B Utilities

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-13		
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey and Investigation Charges			
184	Clearing Accounts			
185*	Temporary Facilities			
186	Misc. Deferred Debits	F-14		
187*	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes			
Total Deferred Debits				
TOTAL ASSETS AND OTHER DEBITS			\$ 4,832,500	\$ 4,733,373

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

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

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-15	\$ -	\$ -
204	Preferred Stock Issued	F-15		
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 Reacquired Capital Stock			
211	Other Paid-in Capital		2,838,529	2,838,529
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	959,810	808,035
216	Reacquired Capital Stock			
219	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			3,798,339	3,646,564
LONG TERM DEBT				
221	Bonds	F-15		
222*	Reacquire Bonds			
223	Advances from Associated Companies	F-17		
224	Other Long Term Debt	F-17		
Total Long Term Debt				
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable		1,600	1,600
232	Notes Payable	F-18		
233	Accounts Payable to Associated Co.	F-18		
234	Notes Payable to Associated Co.	F-18		
235	Customer Deposits			
236	Accrued Taxes	W/S-3	39,103	38,168
237	Accrued Interest	F-19		
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current and Accrued Liabilities	F-20		
Total Current and Accrued Liabilities			40,703	39,768

* Not Applicable for Class B Utilities

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-13		
252	Advances for Construction	F-20		
253	Other Deferred Credits (Contributed Taxes)	F-21		
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits				
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-22	1,602,171	1,602,171
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(608,713)	(555,130)
Total Net C.I.A.C.			993,458	1,047,041
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation			
282	Accumulated Deferred Income Taxes - Liberalized Depreciation			
283	Accumulated Deferred Income Taxes - Other			
Total Accum. Deferred Income Taxes				
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 4,832,500	\$ 4,733,373

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR * (e)
UTILITY OPERATING INCOME				
400	Operating Revenues	F-3(b)	\$ 848,177	\$ 868,955
469.530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			848,177	868,955
401	Operating Expenses	F-3(b)	467,464	520,803
403	Depreciation Expense	F-3(b)	173,003	164,195
	Less: Amortization of CIAC	F-22	(53,583)	(53,583)
Net Depreciation Expense			119,420	110,612
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		
407	Amortization Expense (Other than CIAC) (Plant Abandonment)	F-3(b)		
408	Taxes Other Than Income	W/S-3	49,117	70,096
409	Current Income Taxes	W/S-3	19,957	15,669
410.10	Deferred Federal Income Taxes	W/S-3		
410.11	Deferred State Income Taxes	W/S-3		
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		
Utility Operating Expenses			655,958	717,180
Net Utility Operating Income			192,219	151,775
469/530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property			
420	Allowance for Funds Used During Construction			
Total Utility Operating Income [Enter here and on Page F-3(c)]			192,219	151,775

* For each account, column e should agree with columns f, g + h on F-3(b)

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3* (f)	SEWER SCHEDULE S-3* (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 408,638	\$ 460,317	N/A
408,638	460,317	-
271,017	249,786	
49,369	114,826	
(19,469)	(34,114)	
29,900	80,712	-
30,756	39,340	
6,581	9,088	
338,254	378,926	
70,384	81,391	
70,384	81,391	N/A

* Total of Schedules W-3/S-3 for all rate groups

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (d)	PREVIOUS YEAR (c)	CURRENT YEAR (e)
Total Utility Operating Income [from Page F-3(a)]			\$ 192,219	\$ 151,775
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			
421	Miscellaneous Nonutility Revenue			
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions				
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income			
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable to Other Income				
INTEREST EXPENSE				
427	Interest Expense	F-19		
428	Amortization of Debt Discount & Expense	F-13		
429	Amortization of Premium on Debt	F-13		
Total Interest Expense				
EXTRAORDINARY ITEMS				
433	Extraordinary Income			
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items				
NET INCOME			192,219	151,775

Explain Extraordinary Income:

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 2,021,809	\$ 3,562,210
	Less:			
	Nonused and Useful Plant (1)			
108.1	Accumulated Depreciation	F-8	878,112	1,461,208
110.1	Accumulated Amortization	F-8		
271	Contributions in Aid of Construction	F-22	577,721	1,024,450
252	Advances for Construction	F-20		
Subtotal			565,976	1,076,552
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	218,169	390,544
Subtotal			784,145	1,467,096
114	Plus or Minus: Acquisition Adjustments (2)	F-7		
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7		
	Working Capital Allowance (3)		33,877	31,223
	Other (Specify):			
RATE BASE			\$ 818,022	\$ 1,498,319
NET UTILITY OPERATING INCOME			\$ 70,384	\$ 81,391
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			8.60 %	5.43 %

NOTES:

- (1) Estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Method.

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (1) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (2) (d)	WEIGHTED COST [c x d] (e)
Common Equity	\$ 3,722,452	100.00 %	13.11 %	13.11 %
Preferred Stock		%	- %	%
Long Term Debt		%	- %	%
Customer Deposits		%	6.00 %	%
Tax Credits - Zero Cost		%	- %	%
Tax Credits - Weighted Cost		%	- %	%
Deferred Income Taxes		%	- %	%
Other (Explain)		%	- %	%
Notes Payable - Assoc Co		%	%	%
Total	\$ 3,722,452	100.00 %		13.11 %

(1) Should equal amounts on Schedule F-6, Column (g).

(2) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology as the last rate proceeding using current annual report year end data and current rates

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	<u>13.11</u> %
Commission order approving Return on Equity:	<u>24733</u>

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING THE YEAR

Current Commission approved AFUDC rate:	<u>None</u> %
Commission order approving AFUDC rate:	<u></u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

SCHEDULE "B"**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS**

CLASS OF CAPITAL (a)	SIMPLE AVERAGE 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	\$ 3,722,452	\$ -	\$ -	\$ -	\$ 3,722,452
Preferred Stock	-				
Long Term Debt					
Customer Deposits					
Tax Credits - Zero Cost					
Tax Credits - Weighted Cost					
Deferred Income Taxes					
Other (Explain):					
Notes Payable - Assoc Co					
Total	\$ 3,722,452	\$ -	\$ -	\$ -	\$ 3,722,452

(1) Explain below all adjustments made in Columns (e) and (f)

UTILITY PLANT
ACCOUNTS 101 - 106

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts Utility Plant In Service	\$ 2,021,809	\$ 3,562,210	N/A	\$ 5,584,019
102	Utility Plant Leased to Others				
103	Property Held for Future Use				
104	Utility Plant Purchased or Sold				
105	Construction Work in Progress				
106	Completed Construction Not Classified				
Total Utility Plant		\$ 2,021,809	\$ 3,562,210	N/A	\$ 5,584,019

UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115

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

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	SEWER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment N/A	\$ -	\$ -	\$ -	\$ -
Total Plant Acquisition Adjustment		\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization N/A	\$ -	\$ -	\$ -	\$ -
Total Accumulated Amortization		\$ -	\$ -	\$ -	\$ -
Total Acquisition Adjustments		\$ -	\$ -	\$ -	\$ -

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	SEWER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION Account 108				
Balance first of year	\$ 828,743	\$ 1,346,382	N/A	\$ 2,175,125
Credits during year:				
Accruals charged:				
to Account 108.1 (1)	49,369	114,826		164,195
to Account 108.2 (2)				
to Account 108.3 (2)				
Other Accounts (Specify)				
Salvage				
Other Credits (specify):				
Total credits	49,369	114,826		164,195
Debits during year:				
Book cost of plant retired				
Cost of removal				
Other debits (specify)				
Total debits				
Balance end of year	\$ 878,112	\$ 1,461,208	N/A	\$ 2,339,320

ACCUMULATED AMORTIZATION Account 110				
Balance first of year N/A	N/A	N/A	N/A	N/A
Credits during year:				
Accruals charged:				
to Account 110.2 (2)				
Other Accounts (specify):				
Total credits				
Debits during year:				
Book cost of plant retired				
Other debits (specify)				
Total debits				
Balance end of year	N/A	N/A	N/A	N/A

- (1) Account 108 for Class B utilities.
 (2) Not applicable for Class B utilities.
 (3) Account 110 for Class B utilities.

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

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (c)	AMOUNT (d)
None	\$ -	-	\$ -
Total	\$ -		\$ -

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ -	\$ -	\$ -	\$ -
Total Nonutility Property	\$ -	\$ -	\$ -	\$ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): None	\$ -
Total Special Deposits	\$ -
OTHER SPECIAL DEPOSITS (Account 133): None	\$ -
Total Other Special Deposits	\$ -

UTILITY NAME: MHC Systems, Inc.

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**INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123-127**

Report hereunder all investments and special funds carried in Accounts 123 through 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		\$ -

ACCOUNTS AND NOTES RECEIVABLE - NET

ACCOUNTS 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)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Combined Water & Wastewater	\$ 2,237	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 2,237
OTHER ACCOUNTS RECEIVABLE (Acct. 142):		
	\$ -	
Total Other Accounts Receivable		
NOTES RECEIVABLE (Acct. 144):		
	\$ -	
Total Notes Receivable		
Total Accounts and Notes Receivable		2,237
ACCUMULATED PROVISION FOR UNCOLLECTABLE ACCOUNTS (Account 143):		
Balance First of Year	\$ -	
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		\$ 2,237

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES**ACCOUNT 145**

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
Interdivisional receivable	\$ 1,579,449
Total	\$ 1,579,449

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES**ACCOUNT 146**

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None		\$ -
Total		\$ -

MISCELLANEOUS CURRENT AND ACCRUED ASSETS**ACCOUNT 174**

DESCRIPTION - Provide itemized listing (a)	TOTAL (c)
Utility deposits	\$ 6,115
Total	\$ 6,115

UTILITY NAME: MHC Systems, Inc.

YEAR OF REPORT
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UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
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 (Account 181):		
N/A	\$ -	\$ -
Total Unamortized Debt Discount and Expense		
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
N/A	\$ -	\$ -
Total Unamortized Premium on Debt	\$ -	\$ -

EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182

Report each item separately.

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

MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1): None	\$ -	\$ -
Total Deferred Rate Case Expense	\$ -	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2): None	\$ -	\$ -
Total Other Deferred Debits	NONE	NONE
REGULATORY ASSETS (Class A Utilities: Account 186.3): None	\$ -	\$ -
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	NONE	NONE

CAPITAL STOCK
ACCOUNTS 201 AND 204*

DESCRIPTION (a)	RATE (b)	TOTAL (d)
COMMON STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None
PREFERRED STOCK		
Par or stated value per share	\$ -	\$ -
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	\$ -	\$ -
Dividends declared per share for year	None	None

* Account 204 not applicable for Class B utilities

BONDS
ACCOUNT 221

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
N/A	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

* For variable rate obligations, provide the basis for the rate. (I.e., Prime + 2%, etc)

STATEMENT OF RETAINED EARNINGS

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

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance beginning of year	\$ 808,035
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	151,775
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	
	Year end Balance	959,810
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____ _____	_____ _____ _____
214	Total Appropriated Retained Earnings	
	Total Retained Earnings	\$ 959,810

Notes to Statement of Retained Earnings:

UTILITY NAME: MHC Systems, Inc.

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**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

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

**OTHER LONG TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			NONE

* For variable rate obligations, provide the basis for the rate. (i.e., Prime + 2%, etc)

NOTES PAYABLE (ACCTS. 232 AND 234)

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE* (c)	
NOTES PAYABLE (Account 232):			
N/A			\$ -
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			
N/A			\$ -
Total Account 234			

* For variable rate obligations, provide the basis for the rate. (i.e., Prime +2%, etc)

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233

Report each account payable separately.

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

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

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					
None	\$ -		\$ -	\$ -	\$ -
Total Account No. 237.1	-				-
ACCOUNT NO. 237.2 - Accrued Interest in Other Liabilities					
None	-				-
Total Account 237.2	-				
Total Account 237 (1)	\$ -				\$ -
INTEREST EXPENSED:					
Total accrual Account 237		237			
Less Capitalized Interest Portion of AFUDC:					
None					
Net Interest Expensed to Account No. 427 (2)			\$ -		

(1) Must Agree to F-2(a), Beginning and Ending Balance of Accrued Interest

(2) Must agree to F-3(c), Current Year Interest Expense

YEAR OF REPORT
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DESCRIPTION (a)	BALANCE END OF YEAR (b)
N/A	\$ -
Total Miscellaneous Current and Accrued Liabilities	\$ -

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	ACCT.		CREDITS (e)	BALANCE END OF YEAR (f)
		DEBIT (c)	AMOUNT (d)		
None	\$ -		\$ -	\$ -	\$ -
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
Total	\$ -		\$ -	\$ -	\$ -

F-20

YEAR OF REPORT
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DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1)		
N/A	\$ -	\$ -
Total Regulatory Liabilities	\$ -	\$ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2)		
N/A	\$ -	\$ -
Total Deferred Liabilities	\$ -	\$ -
TOTAL OTHER DEFERRED CREDITS	\$ -	\$ -

CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 577,721	\$ 1,024,450	N/A	\$ 1,602,171
Add credits during year:	-	-		-
Less debits charged during	-	-		-
Total Contributions In Aid of Construction	\$ 577,721	\$ 1,024,450	\$ -	\$ 1,602,171

ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272

DESCRIPTION (a)	WATER (b)	SEWER (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ 198,700	\$ 356,430	N/A	\$ 555,130
Debits during year:	19,469	34,114		53,583
Credits during year (specify):				
Total Accumulated Amortization of Contributions In Aid of Construction	\$ 218,169	\$ 390,544		\$ 608,713

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	F-3 (c)	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 included in return:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Deduction on return not charged against book income:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal tax net income		\$ _____
Computation of tax:		
The Utility is an operating division and does not file a return; therefore, this schedule is not applicable.		

WATER OPERATION SECTION

UTILITY NAME: MHC Systems, Inc.

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned the a group number. Each individual system which as not been consolidated should be assigned its own group number.

The water financial schedules (S-1 through S-10) should be filed for the group in total.

The water engineering schedules (S-11 through S-14) must be filed for each system in the group.

All of the following water pages (S-2 through S-12) should be completed for each group and arranged by group number.

[illegible]

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT

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SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 2,021,809
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	W-6(b)	878,112
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	577,721
252	Advances for Construction	F-20	
	Subtotal		565,976
272	Add:		
	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	218,169
	Subtotal		784,145
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		33,877
	Other (Specify):		
	WATER RATE BASE		\$ 818,022
	UTILITY OPERATING INCOME	W-3	\$ 70,384
ACHIEVED RATE OF RETURN (Water Operating Income/Water Rate Base)			8.60 %

NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	W-9	\$ 408,638
469	Less: Guaranteed Revenue and AFPI	W-9	
	Net Operating Revenues		408,638
401	Operating Expenses	W-10(a)	271,017
403	Depreciation Expense	W-6(a)	49,369
	Less: Amortization of CIAC	W-8(a)	(19,469)
	Net Depreciation Expense		29,900
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		18,389
408.11	Property Taxes		3,967
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		8,400
408	Total Taxes Other Than Income		30,756
409.1	Income Taxes	F-16	6,581
410.10	Deferred Federal Income Taxes		
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		338,254
	Utility Operating Income		70,384
469	Add Back: Guaranteed Revenue (and AFPI)	W-9	
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 70,384

UTILITY NAME: MHC Systems, Inc.
 SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
 December 31, 1999

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 4,054	\$ -	\$ -	\$ 4,054
302	Franchises	750			750
303	Land Rights	4,733			4,733
304	Improvements	242,519	2,324		244,843
305	Storage and Impounding Reservoirs				
306	River and Other Intakes				
307	Canals	75,156			75,156
308	Electric Galleries and Tunnels				
309	Electric Mains	4,202			4,202
310	Power Generation Equipment				
311	Pumping Equipment	24,417	583		25,000
312	Water Treatment Equipment	25,538			25,538
313	Distribution Reservoirs and Standpipes				
314	Transmission and Distribution Mains	1,046,109			1,046,109
315	Services	158,757			158,757
316	Meters and Meter Installations	112,341			112,341
317	Hydrants	124,099			124,099
318	Other Plant / Miscellaneous Equipment				
319	Office Furniture and Equipment	14,658			14,658
320	Transportation Equipment	7,435			7,435
321	Stores Equipment				
322	Tools, Shop and Garage Equipment				
323	Laboratory Equipment				
324	Power Operated Equipment				
325	Communication Equipment				
326	Miscellaneous Equipment	1,945			1,945
327	Other Tangible Plant	172,189			172,189
TOTAL WATER PLANT		\$ 2,018,902	\$ 2,907	\$ -	\$ 2,021,809

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

UTILITY NAME: MHC Systems, Inc.
SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
 December 31, 1999

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	INTANGIBLE PLANT (d)	SOURCE OF SUPPLY AND PUMPING PLANT (e)	WATER TREATMENT PLANT (f)	TRANSMISSION AND DISTRIBUTION PLANT (g)	GENERAL PLANT (h)
301	Organization	\$ 4,054	\$ 4,054				
302	Franchises	750	750				
303	Land and Land Rights	4,733			4,733		
304	Structure and Improvements	244,843			244,843		
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	75,156		75,156			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	4,202		4,202			
310	Power Generation Equipment						
311	Pumping Equipment	25,000		25,000			
320	Water Treatment Equipment	25,538			25,538		
330	Distribution Reservoirs and Standpipes						
331	Transmission and Distribution Mains	1,046,109				1,046,109	
333	Services	158,757				158,757	
334	Meters and Meter Installations	112,341				112,341	
335	Hydrants	124,099				124,099	
339	Other Plant / Miscellaneous Equipment						
340	Office Furniture and Equipment	14,658					14,658
341	Transportation Equipment	7,435					7,435
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment						
346	Communication Equipment						
347	Miscellaneous Equipment	1,945					1,945
348	Other Tangible Plant	172,189					172,189
	TOTAL WATER PLANT	\$ 2,021,809	\$ 4,804	\$ 104,358	\$ 275,114	\$ 1,441,306	\$ 196,227

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT

December 31, 1999

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)
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	30	%	3.33 %
308	Infiltration Galleries and Tunnels		%	%
309	Supply Mains	35	%	2.86 %
310	Power Generation Equipment		%	%
311	Pumping Equipment	20	%	5.00 %
320	Water Treatment Equipment	22	%	4.55 %
330	Distribution Reservoirs and Standpipes		%	%
331	Transmission and Distribution Mains	43	%	2.33 %
333	Services	43	%	2.33 %
334	Meters and Meter Installations	20	%	5.00 %
335	Hydrants	45	%	2.22 %
339	Other Plant / Miscellaneous Equipment	25	%	4.00 %
340	Office Furniture and Equipment	15	%	6.67 %
341	Transportation Equipment	6	%	16.67 %
342	Stores Equipment		%	%
343	Tools, Shop and Garage Equipment	16	%	6.25 %
344	Laboratory Equipment	10	%	10.00 %
345	Power Operated Equipment	12	%	8.33 %
346	Communication Equipment	10	%	10.00 %
347	Miscellaneous Equipment	15	%	6.67 %
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: MHC Systems, Inc.
SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

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	\$ 2,792	\$ 101	\$ -	\$ 101
302	Franchises	473	19		19
304	Structure and Improvements	99,045	7,383		7,383
305	Collecting and Impounding Reservoirs				
306	Lake, River and Other Intakes				
307	Wells and Springs	44,483	2,503		2,503
308	Infiltration Galleries and Tunnels				
309	Supply Mains	2,169	120		120
310	Power Generation Equipment				
311	Pumping Equipment	19,541	1,236		1,236
320	Water Treatment Equipment	19,975	1,162		1,162
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution	294,223	24,374		24,374
333	Services	49,541	3,969		3,969
334	Meters and Meter Installations	71,371	5,617		5,617
335	Hydrants	29,726	2,755		2,755
339	Other Plant / Miscellaneous Equipment				
340	Office Furniture and Equipment	14,658	0		
341	Transportation Equipment	7,435	0		
342	Stores Equipment				
343	Tools, Shop and Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment	1,122	130		130
348	Other Tangible Plant	172,189	0		
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 828,743	\$ 49,369	\$ -	\$ 49,369

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

Note (1): To correct depreciation expense for rounding differences between beginning and ending balances

W-6(a)
GROUP 1

UTILITY NAME: MHC Systems, Inc.
SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 199

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i+j)	BALANCE AT END OF YEAR (c+f-k) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	\$ 2,894
302	Franchises					45
304	Structure and Improvements					106,42
305	Collecting and Impounding Reservoirs					
306	Lake, River and Other Intakes					
307	Wells and Springs					46,98
308	Infiltration Galleries and Tunnels					
309	Supply Mains					2,28
310	Power Generation Equipment					
311	Pumping Equipment					20,77
320	Water Treatment Equipment					21,13
330	Distribution Reservoirs and Standpipes					318,59
331	Transmission and Distribution					53,51
333	Services					76,98
334	Meters and Meter Installations					32,48
335	Hydrants					
339	Other Plant / Miscellaneous Equipment					14,65
340	Office Furniture and Equipment					7,43
341	Transportation Equipment					
342	Stores Equipment					
343	Tools, Shop and Garage Equipment					
344	Laboratory Equipment					
345	Power Operated Equipment					
346	Communication Equipment					
347	Miscellaneous Equipment					1,25
348	Other Tangible Plant					172,18
TOTAL WATER ACCUMULATED DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ 878,11

SYSTEM NAME / COUNTY: Lake Fairways / Lee

December 31, 1999

ACCOUNT 271		
DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance First of Year		\$ 577,721
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	W-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	W-8(b)	
Total Credits		
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 577,721

Explain all Debits charged to Account 271 during the year below:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

WATER CIAC 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)	AMOUNT (d)
		\$ -	\$ -
			-
			-
			-
			-
Total Credits			N/A

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 198,700
Debits during year:	
Accruals charged to Account	19,469
Other Debits (specify):	
Total debits	19,469
Credits during year (specify):	
Total credits	
Balance end of year	\$ 218,169

SYSTEM NAME / COUNTY: Lake Fairways / Lee

December 31, 1999

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

[illegible]

W-8(b)
GROUP 1

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY Lake Fairways / Lee

YEAR OF REPORT

December 31, 1999

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
460	Water Sales: Unmetered Water Revenue			
	Metered Water Revenue:			
461.1	Metered Sales to Residential Customers	1,825	1,825	\$ 376,598
461.2	Metered Sales to Commercial Customers	22	22	29,512
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	1,847	1,847	406,110
462.1	Fire Protection Revenue: 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			
	Total Water Sales	1,847	1,847	406,110
469	Other Water Revenues: Guaranteed Revenues			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			2,528
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Total Other Water Revenues			\$ 2,528
	Total Water Operating Revenues			\$ 408,638

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code

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	\$ 30,827	\$ -	\$ -
603	Salaries and Wages - Officers, Directors and Majority Stockholders			
604	Employee Pensions and Benefits			
610	Purchased Water	129,106	129,106	
615	Purchased Power	8,369		
616	Fuel for Power Purchased	406		
618	Chemicals	1,638		
620	Materials and Supplies	6,880		
631	Contractual Services - Engineering	2,008		
632	Contractual Services - Accounting	707		
633	Contractual Services - Legal	2,445		
634	Contractual Services - Mgt. Fees	36,498		
635	Contractual Services - Testing			
636	Contractual Services - Other	49,459		
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expense	1,839		
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workmens Comp.			
659	Insurance - Other			
660	Advertising Expense			
666	Regulatory Commission Expenses - Amortization of Rate Case Expense			
667	Regulatory Commission Exp -Other			
670	Bad Debt Expense	126		
675	Miscellaneous Expenses	709		
Total Water Utility Expenses		\$ 271,017	\$ 129,106	

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY:

Lake Fairways / Lee

YEAR OF REPORT

December 31, 1999

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	3,399	4,942	198	8,143	7,370
February	3,478	4,816	196	8,098	5,971
March	3,370	5,679	197	8,852	8,185
April	3,440	5,259	199	8,500	6,689
May	4,726	4,291	201	8,816	8,784
June	4,026	3,261	197	7,090	7,888
July	2,282	3,494	198	5,578	4,663
August	2,044	3,278	198	5,124	4,012
September	1,884	2,482	200	4,166	3,680
October	1,988	1,679	197	3,470	4,371
November	2,093	2,000	199	3,894	4,177
December	3,530	4,505	196	7,839	5,478
Total for year	36,260	45,686	2,376	79,570	71,268

If water is purchased for resale, indicate the following:

Vendor Lee County Utilities

Point of delivery US41 and Pine Lakes front gate

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

N/A

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Wells 1 and 2	300gpm	115,068	Aquifer

UTILITY NAME: MHC Systems, Inc.
SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

WATER TREATMENT PLANT INFORMATION
Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): 200,000

Location of measurement of capacity
(i.e. Wellhead, Storage Tank): Wellhead

Type of treatment (reverse osmosis,
sedimentation, chemical, aerated, etc): Aeration/Chlorination

LIME TREATMENT

Unit rating (i.e., GPM, pounds
per gallon): N/A Manufacturer N/A

FILTRATION

Type and size of area:

Pressure (in square feet): N/A Manufacturer N/A

Gravity (in GPM/square feet): N/A Manufacturer N/A

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

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)
All Residential		1.0	1,825	1,825
5/8"	Displacement	1.0	12	12
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0	6	30
2"	Displacement, Compound or Turbine	8.0	4	32
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 Water System Meter Equivalents				1,899

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC Calculation:

$$\begin{array}{rcl}
 ERC = & 71,268 \text{ gallons, divided by} & \\
 & 350 \text{ gallons per day} & \\
 & \underline{365 \text{ days}} & \\
 & 557.9 \text{ ERC's} &
 \end{array}$$

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT

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OTHER WATER SYSTEM INFORMATION

Furnish information below for each system. A separate pageshould be supplied where necessary.

1. Present ERC's * that system can efficiently ser 1,899
2. Maximum number of ERC's * which can be serv 1,899
3. Present system connection capacity (in ERC's *) using existing lines. 1,899
4. Future system connection capacity (in ERC's *) upon service area buildout. None - System is built out
5. Estimated annual increase in ERC's * None - System is built out
6. Is the utility required to have fire flow capacity? No
If so, how much capacity is required? _____
7. Attach a description of the fire fighting facilities. High speed pumps at storage tank; 79 hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this syste None
9. When did the company last file a capacity analysis report with the DEP? N/A
10. If the present system does not meet the requirements of DEP rules:
 - a. Attach a description of the plant upgrade necessary to meet the DEP r N/A
 - b. Have these plans been approved by DEP N/A
 - c. When will construction begin N/A
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order othe DEP? No
11. Department of Environmental Protection ID # DO36-197396
12. Water Management District Consumptive Use Permit # 36-00081-W
 - a. Is the system in compliance with the requirements of the CUP? Yes
 - b. If not, what are the utility's plans to gain compliance? N/A

* An ERC is determined bsd on the calculation on the bottom of Page W-13

WASTEWATER OPERATION SECTION

UTILITY NAME: MHC Systems, Inc.

WASTEWATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned the a group number. Each individual system which as not been consolidated should be assigned its own group number.

The wastewater financial schedules (S-1 through S-10) should be filed for the group in total.

The wastewater engineering schedules (S-11 through S-14) must be filed for each system in the group.

All of the following wastewater pages (S-2 through S-12) should be completed for each group and arranged by group number.

[illegible]

SCHEDULE OF YEAR END WASTEWATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4(b)	\$ 3,562,210
	Less:		
	Nonused and Useful Plant (1)		
108.1	Accumulated Depreciation	S-6(b)	1,461,208
110.1	Accumulated Amortization		
271	Contributions in Aid of Construction	S-7	1,024,450
252	Advances for Construction	F-20	
	Subtotal		1,076,552
272	Add:		
	Accumulated Amortization of Contributions in Aid of Construction	S-8(a)	390,544
	Subtotal		1,467,096
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	
	Working Capital Allowance (3)		31,223
	Other (Specify):		
	WASTEWATER RATE BASE		\$ 1,498,319
	UTILITY OPERATING INCOME	S-3	\$ 81,391
ACHIEVED RATE OF RETURN (Wastewater Operating Income/Wastewater Rate Base)			5.43 %

- NOTES: (1) Class A calculate consistent with last rate proceeding. Class B estimated if not known.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and
 Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

WASTEWATER OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WASTEWATER UTILITY (d)
400	UTILITY OPERATING INCOME Operating Revenues	S-9	\$ 460,317
530	Less: Guarenteed Revenue and AFPI	S-9	
	Net Operating Revenues		460,317
401	Operating Expenses	S-10(a)	249,786
403	Depreciation Expense	S-6(a)	114,826
	Less: Amortization of CIAC	S-8(a)	(34,114)
	Net Depreciation Expense		80,712
406	Amortization of Utility Plant Acquisition Adjustment	F-7	
407	Amortization Expense (Other than CIAC) (Loss on plant abandonment)	F-8	
408.10	Taxes Other Than Income Utility Regulatory Assessment Fee		20,714
408.11	Property Taxes		3,966
408.12	Payroll Taxes		
408.13	Other Taxes & Licenses		14,660
408	Total Taxes Other Than Income		39,340
409.1	Income Taxes	F-16	9,088
410.10	Deferred Federal Income Taxes		
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		378,926
	Utility Operating Income		81,391
469	Add Back: Guarenteed Revenue (and AFPI)		
413	Income From Utility Plant Leased to Others		
414	Gains (Losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 81,391

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 4,054	\$ -	\$ -	\$ 4,054
352	Franchises	750			750
353	Land and Land Rights	55,213			55,213
354	Structure and Improvements	484,372	10,356		494,728
355	Power Generation Equipment	0			
360	Collection Sewers - Force	176,531			176,531
361	Collection Sewers - Gravity	1,600,513			1,600,513
362	Special Collecting Structures				
363	Services to Customers	338,287			338,287
364	Flow Measuring Devices	2,791			2,791
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	326,824			326,824
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
380	Treatment & Disposal Equipment	384,409	13,360		397,769
381	Plant Sewers				
382	Outfall Sewer Lines				
389	Other Plant / Miscellaneous Equipment	138,212			138,212
390	Office Furniture & Equipment	497			497
391	Transportation Equipment	13,157			13,157
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	5,434			5,434
394	Laboratory Equipment	4,880			4,880
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	2,570			2,570
398	Other Tangible Plant				
Total Wastewater Plant		\$ 3,538,494	\$ 23,716	\$ -	\$ 3,562,210

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

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL PLANT (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (k)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (l)	.7 GENERAL PLANT (m)
351	Organization	\$ 4,054						
352	Franchises	750						
353	Land and Land Rights							
354	Structure and Improvements							
355	Power Generation Equipment							
360	Collection Sewers - Force							
361	Collection Sewers - Gravity		176,531					
362	Special Collecting Structures		1,600,513					
363	Services to Customers		338,287					
364	Flow Measuring Devices		2,791					
365	Flow Measuring Installations							
366	Reuse Services							
367	Reuse Meters and Meter Installations							
370	Receiving Wells							
371	Pumping Equipment			326,824				
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System				397,769			
380	Treatment & Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines							
389	Other Plant / Miscellaneous Equipment							497
390	Office Furniture & Equipment				138,212			13,157
391	Transportation Equipment							
392	Stores Equipment							
393	Tools, Shop and Garage Equipment							5,434
394	Laboratory Equipment							4,880
395	Power Operated Equipment							
396	Communication Equipment							
397	Miscellaneous Equipment							2,570
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 4,804	\$ 2,118,122	\$ 326,824	\$ 1,085,922	\$ -	\$ -	\$ 26,538

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

BASIS FOR WASTEWATER 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)
351	Organization		%	%
352	Franchises		%	%
354	Structure and Improvements	32	%	3.13 %
355	Power Generation Equipment		%	%
360	Collection Sewers - Force	30	%	3.33 %
361	Collection Sewers - Gravity	40	%	2.50 %
362	Special Collecting Structures	32	%	3.13 %
363	Services to Customers	32	%	3.13 %
364	Flow Measuring Devices	5	%	20.00 %
365	Flow Measuring Installations	5	%	20.00 %
366	Reuse Services		%	%
367	Reuse Meters and Meter Installations		%	%
370	Receiving Wells	18	%	5.56 %
371	Pumping Equipment	18	%	5.56 %
374	Reuse Distribution Reservoirs		%	%
375	Reuse Transmission and Distribution System		%	%
380	Treatment & Disposal Equipment		%	%
381	Plant Sewers	35	%	2.86 %
382	Outfall Sewer Lines	30	%	3.33 %
389	Other Plant / Miscellaneous Equipment		%	%
390	Office Furniture & Equipment	15	%	6.67 %
391	Transportation Equipment	6	%	16.67 %
392	Stores Equipment		%	%
393	Tools, Shop and Garage Equipment	16	%	6.25 %
394	Laboratory Equipment	15	%	6.67 %
395	Power Operated Equipment	12	%	8.33 %
396	Communication Equipment	10	%	10.00 %
397	Miscellaneous Equipment	15	%	6.67 %
398	Other Tangible Plant		%	%
Wastewater Plant Composite Depreciation Rate *			%	%

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

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
December 31, 1999

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
351	Organization	\$ 2,792	\$ 101	\$ -	\$ 101
352	Franchises	473	19		19
354	Structure and Improvements	201,166	15,323		15,323
355	Power Generation Equipment				
360	Collection Sewers - Force	75,019	5,878		5,878
361	Collection Sewers - Gravity	412,496	35,531		35,531
362	Special Collecting Structures				
363	Services to Customers	129,626	8,897		8,897
364	Flow Measuring Devices	663	558		558
365	Flow Measuring Installations				
366	Reuse Services				
367	Reuse Meters and Meter Installations				
370	Receiving Wells				
371	Pumping Equipment	212,472	18,171		18,171
374	Reuse Distribution Reservoirs				
375	Reuse Transmission and Distribution System				
376	Treatment & Disposal Equipment	186,115	21,744		21,744
377	Plant Sewers				
378	Small Sewer Lines				
379	Other Plant / Miscellaneous Equipment	107,513	7,685		7,685
380	Office Furniture & Equipment	207	83		83
381	Transportation Equipment	13,157	-		-
382	Stores Equipment				
393	Tools, Shop and Garage Equipment	324	340		340
394	Laboratory Equipment	2,927	325		325
395	Power Operated Equipment				
396	Communication Equipment				
397	Miscellaneous Equipment	1,432	171		171
398	Other Tangible Plant				
Total Depreciable Wastewater Plant in Service		\$ 1,346,382	\$ 114,826	\$ -	\$ 114,826

* Specify nature of transaction

Use () to denote reversal entries

UTILITY NAME MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
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ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-k) (k)
351	Organization	\$ -	\$ -	\$ -	\$ -	\$ 2,893
352	Franchises					492
354	Structure and Improvements					216,489
355	Power Generation Equipment					
360	Collection Sewers - Force					80,897
361	Collection Sewers - Gravity					448,027
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					138,523
365	Flow Measuring Installations					1,221
366	Reuse Services					
367	Reuse Meters and Meter Installations					
370	Receiving Wells					
371	Pumping Equipment					
374	Reuse Distribution Reservoirs					230,643
375	Reuse Transmission and Distribution System					
380	Treatment & Disposal Equipment					207,859
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant / Miscellaneous Equipment					115,198
390	Office Furniture & Equipment					290
391	Transportation Equipment					13,157
392	Stores Equipment					
393	Tools, Shop and Garage Equipment					664
394	Laboratory Equipment					3,252
395	Power Operated Equipment					
396	Communication Equipment					
397	Miscellaneous Equipment					1,603
398	Other Tangible Plant					
Total Depreciable Wastewater Plant in Service		\$ -	\$ -	\$ -	\$ -	\$ 1,461,208

SYSTEM NAME / COUNTY: Lake Fairways / Lee

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**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

ACCOUNT 271		
DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (b)
Balance First of Year		\$ 1,024,450
Add credits during year:		
Contributions Received From Capacity, Capacity, Main Extension and Customer Connection Charges	S-8(a)	
Contributions received from Developer or Contractor Agreements in cash or property	S-8(b)	
Total Credits		
Less debits charged during the year (All debits charged during the year must be explained below)		
Total Contributions In Aid of Construction		\$ 1,024,450

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all Debits charged to Account 271 during the year below:

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT

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WASTEWATER CIAC 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)	AMOUNT (d)
		\$ -	\$ -
Total Credits			N/A

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ 356,430
Debits during year:	
Accruals charged to Account	34,114
Other Debits (specify):	
Total debits	34,114
Credits during year (specify):	
Total credits	
Balance end of year	\$ 390,544

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

S-8(b)
GROUP 1

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
WASTEWATER SALES				
	Fiat 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			
521	Total Fiat Rate Revenues			-
	Measured Revenues:			
522.1	Residential Revenues	1,825	1,825	\$ 428,062
522.2	Commercial Revenues	14	14	18,215
522.3	Industrial Revenues			
522.4	Revenues From Public Authorities			
522.5	Multiple Family Dwelling Revenues (Units)			
522	Total Measured Revenues	1,839	1,839	446,277
523	Revenues From Public Authorities			
524	Revenues From Other Systems			
525	Interdepartmental Revenues			
	Total Wastewater Sales	1,839	1,839	\$ 446,277
OTHER WASTEWATER REVENUES				
530	Guaranteed Revenues			\$ -
531	Sale Of Sludge			
532	Forfeited Discounts			
534	Rents From Wastewater Property			
535	Interdepartmental Rents			
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			14,040
	Total Other Wastewater Revenues			\$ 14,040

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: MHC Systems, Inc.
 SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
 December 31, 1999

WASTEWATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
	Flat Rate Reuse Revenues:			
540.1	Residential Reuse Revenues			\$
540.2	Commercial Reuse Revenues			
540.3	Industrial Reuse Revenues			
540.4	Reuse Revenues From Public Authorities			
540.5	Other Reuse Revenues			
540	Total Flat Rate Reuse Revenues			
	Measured Reuse Revenues:			
541.1	Residential Reuse Revenues			
541.2	Commercial Reuse Revenues			
541.3	Industrial Reuse Revenues			
541.4	Reuse Revenues From Public Authorities			
541	Total Measured Reuse Revenues			
544	Reuse Revenues From Other Systems			
Total Reclaimed Water Sales				
Total Wastewater Operating Revenues				\$ 460,317

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: MHC Systems, Inc.
SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
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WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	1 COLLECTION EXPENSES - OPERATIONS (d)	2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)	3 PUMPING EXPENSES - OPERATIONS (f)	4 PUMPING EXPENSES - MAINTENANCE (g)	5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 42,572	\$ -	\$ -	\$ -	\$ -	\$ 21,176	\$ 21,396
703	Salaries and Wages - Officers, Directors and Majority Stockholders							
704	Employee Pensions and Benefits							
710	Purchased Sewage Treatment							
711	Sludge Removal Expense	9,915					9,915	
715	Purchased Power	32,557					32,557	
716	Fuel for Power Purchased	201					201	
718	Chemicals	8,756					8,756	
720	Materials and Supplies	4,163					4,163	
731	Contractual Services - Engineering	8,082					8,082	
732	Contractual Services - Accounting	421						
733	Contractual Services - Legal	2,625						
734	Contractual Services - Mgt. Fees	50,402						
735	Contractual Services - Testing							
736	Contractual Services - Other	85,413					84,199	
741	Rental of Building/Real Property							
742	Rental of Equipment							
750	Transportation Expense	2,266		2,266				
756	Insurance - Vehicle							
757	Insurance - General Liability							
758	Insurance - Workmens Comp.							
759	Insurance - Other							
760	Advertising Expense							
766	Regulatory Commission Expenses - Amortization of Rate Case Expense							
767	Regulatory Commission Exp -Other							
770	Bad Debt Expense						2,413	
775	Miscellaneous Expenses	2,413						
	Total Wastewater Utility Expenses	\$ 249,786	\$ -	\$ 2,266	\$ -	\$ -	\$ 171,462	\$ 21,396

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
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WASTEWATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES - OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES - MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES - OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES - MAINTENANCE (o)
701	Salaries and Wages - Employees	\$	\$	\$		\$	\$
703	Salaries and Wages - Officers, Directors and Majority Stockholders						
704	Employee Pensions and Benefits						
710	Purchased Sewage Treatment						
711	Sludge Removal Expense						
715	Purchased Power						
716	Fuel for Power Purchased						
718	Chemicals						
720	Materials and Supplies						
731	Contractual Services - Engineering						
732	Contractual Services - Accounting		421				
733	Contractual Services - Legal		2,625				
734	Contractual Services - Mgt. Fees		50,402				
735	Contractual Services - Testing						
736	Contractual Services - Other	1,214					
741	Rental of Building/Real Property						
742	Rental of Equipment						
750	Transportation Expense						
756	Insurance - Vehicle						
757	Insurance - General Liability						
758	Insurance - Workmens Comp.						
759	Insurance - Other						
760	Advertising Expense						
766	Regulatory Commission Expenses - Amortization of Rate Case Expense						
767	Regulatory Commission Exp -Other						
770	Bad Debt Expense						
775	Miscellaneous Expenses						
Total Wastewater Utility Expenses		\$ 1,214	\$ 53,448	\$	\$	\$	\$

S-10(b)
GROUP 1

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
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CALCULATION OF THE WASTEWATER 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)
All Residential		1.0	1,825	1,825
5/8"	Displacement	1.0	12	12
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0	2	16
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 Wastewater System Meter Equivalents				1,853

CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non-residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment

ERC Calculation:

$$(\frac{70,583,000}{\text{(total gallons treated)}} / 365 \text{ days}) / 280 \text{ gpd} = 691$$

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

YEAR OF REPORT
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WASTEWATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	.300 mgd		
Basis of Permit Capacity (1)	AADF		
Manufacturer	Marolf		
Type (2)	Extended Aeration		
Hydraulic Capacity	.300 mgd		
Average Daily Flow	193,378.00		
Total Gallons of Wastewater Treated	70,583,000		
Method of Effluent Disposal	Ponds/Irrigation		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit
(i.e. average annual daily flow, etc)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: MHC Systems, Inc.

SYSTEM NAME / COUNTY: Lake Fairways / Lee

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OTHER WASTEWATER SYSTEM INFORMATION

Furnish information below for each system. A separate pageshould be supplied where necessary.

1. Present ERC's * that system can efficiently serve. 1,853
2. Maximum number of ERC's * which can be served. 1,853
3. Present system connection capacity (in ERC's *) using existing lines. 1,853
4. Future system connection capacity (in ERC's *) upon service area buildout. None - System is built out
5. Estimated annual increase in ERC's * None
6. Describe any plans and estimated completion dates for any enlargements or improvements of this system.
None
7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. Pine Lakes Golf Course; 38,861,000 Gallons
8. If the utility does not engage in reuse, has a reuse feasibility study been completed? N/A
If so, when? N/A
9. Has the utility been required by the DEP or water management district to implement reuse? No
If so, what are the utility's plans to comply with the DEP? N/A
10. When did the company last file a capacity analysis report with the DEP? None
11. If the present system does not meet the requirements of DEP rules:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? N/A
 - c. When will construction begin? N/A
 - d. Attach plans for funding the required upgrading. N/A
 - e. Is this system under any Consent Order othe DEP? N/A
11. Department of Environmental Protection ID # DO36-197398

* An ERC is determined based on the calculation on the bottom of Page S-11