



3015 (02-09-04)

ANNUAL REPORT

OF

Name: SHOREWOOD HILLS WATER UTILITYPrincipal Office:

For the Year Ended: DECEMBER 31, 1998**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SHOREWOOD HILLS WATER UTILITY

Utility Address:

When was utility organized? 1/1/1927

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: THOMAS GEORGE POPP JR

Title: VILLAGE ADMINISTRATOR

Office Address:

810 SHOREWOOD BOULEVARD
MADISON, WI 53705-2115

Telephone: (608) 267 - 2680

Fax Number: (608) 266 - 5929

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: VIRCHOW, KRAUSE & CO., LLP

Title:

Office Address: VIRCHOW, KRAUSE & CO., LLP

4600 AMERICAN PKWY
P.O. BOX 7398
MADISON, WI 53707-7398

Telephone: (608) 249 - 6622

Fax Number: (608) 249 - 8532

E-mail Address: cpa@virchowkrause.com

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: VIRCHOW, KRAUSE & CO., LLP

Title:

Office Address: VIRCHOW, KRAUSE & CO., LLP

4600 AMERICAN PKWY
P.O. BOX 7398
MADISON, WI 53707-7398

Telephone: (608) 249 - 6622

Fax Number: (608) 249 - 8532

E-mail Address: cpa@virchowkrause.com

Date of most recent audit report:

Period covered by most recent audit: 1/1/98 - 12/31/98

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: DENNIS LYBECK
Title: SUPERINTENDENT

Office Address:
810 SHOREWOOD BOULEVARD
MADISON, WI 53705-2115

Telephone: (608) 267 - 2680
Fax Number: (608) 266 - 5929

E-mail Address:

Name of utility commission/committee: VILLAGE BOARD

Names of members of utility commission/committee:

- MIKE CORRY
 - CARL GULBRANDSEN
 - GEORGE STROTHER
 - MARK SUNDQUIST
 - ERIC TRIPLETT
 - ROCKY VAN ASTEN
-

Is sewer service rendered by the utility? NO

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	226,964	226,663	1
Operating Expenses:			
Operation and Maintenance Expense (401)	126,328	121,412	2
Depreciation Expense (403)	14,354	14,354	3
Amortization Expense (404)	0	0	4
Taxes (408)	21,699	21,348	5
Total Operating Expenses	162,381	157,114	
Net Operating Income	64,583	69,549	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	64,583	69,549	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	321	0	9
Miscellaneous Nonoperating Income (421)	0	1,640	10
Total Other Income	321	1,640	
Total Income	64,904	71,189	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	64,904	71,189	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	9,023	8,560	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	9,023	8,560	
Net Income	55,881	62,629	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	92,048	29,419	19
Balance Transferred from Income (433)	55,881	62,629	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	147,929	92,048	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INVESTMENT INCOME	321	4
Total (Acct. 419):	321	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	226,964	0	0	0	226,964	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	226,964	0	0	0	226,964	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	837,200	837,200	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	197,291	181,927	2
Net Utility Plant	639,909	655,273	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	3,030		8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	13,092	33,877	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	2,942	3,175	14
Materials and Supplies (150)	1,690	1,690	15
Prepayments (165)	390	0	16
Other Current and Accrued Assets (170)	35,232	35,232	17
Total Current and Accrued Assets	56,376	73,974	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	696,285	729,247	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	58,988	58,988	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	147,929	92,048	23
Total Proprietary Capital	206,917	151,036	
LONG-TERM DEBT			
Bonds (221)	0		24
Advances from Municipality (223)	127,122	183,638	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	127,122	183,638	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	2,107	2,324	28
Payables to Municipality (233)	216,980	249,090	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	2,900	2,900	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	221,987	254,314	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	140,259	140,259	38
Total Liabilities and Other Credits	696,285	729,247	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	837,200	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	837,200	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	197,291	0	0	0	9
Total Accumulated Provision	197,291	0	0	0	
Net Utility Plant	639,909	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	181,927				181,927	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	14,354				14,354	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,010				1,010	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	15,364	0	0	0	15,364	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	197,291	0	0	0	197,291	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	0 1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0 1
Other					0	0 2
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility	1,690	1,690 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	1,690	1,690

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

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE				1
Total			<u><u>0</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	58,988	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>58,988</u></u>	

BONDS (ACCT. 221)

- 1. Report hereunder information required for each separate issue of bonds.
- 2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- 3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
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NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
1998 REFINANCING	12/17/1998	03/18/2007	4.59%	120,791	1
STATE TRUST FUND LOAN	10/03/1990	03/15/2000	6.00%	0	2
STATE TRUST FUND LOAN	03/05/1991	03/15/2000	6.00%	0	3
STATE TRUST FUND LOAN	08/19/1992	03/15/2002	5.00%	6,331	4
1997 REFINANCING	01/01/1997	01/01/2000	6.00%	0	5
Total for Account 223				127,122	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	20,009	2
Charged electric department expense		3
Charged sewer department expense	457	4
Other (explain):		
NONE		5
Total Accruals and other credits	<u>20,466</u>	
Taxes paid during year:		
County, state and local taxes	18,500	6
Social Security taxes	1,690	7
PSC Remainder Assessment	276	8
Other (explain):		
NONE		9
Total payments and other debits	<u>20,466</u>	
Balance end of year	<u><u>0</u></u>	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
STATE TRUST FUND 1990	0			0	2
STATE TRUST FUND 1991	0			0	3
STATE TRUST FUND 1992	400	405	405	400	4
1998 REFINANCING	2,500	8,618	8,618	2,500	5
Subtotal	2,900	9,023	9,023	2,900	
Other long-Term Debt (224)					
NONE	0			0	6
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	7
Subtotal	0	0	0	0	
Total	2,900	9,023	9,023	2,900	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	140,259	0	0	0	0	140,259	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	140,259	0	0	0	0	140,259	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	13,092	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	13,092	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
RECEIVABLE FROM SEWER UTILITY FOR JOINT METERING	2,942	12
Total (Acct. 145):	2,942	
Prepayments (165):		
PREPAYMENT	390	13
Total (Acct. 165):	390	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
BALANCE FROM PRIOR YEARS	206,980	16
1998 RENT TO MUNICIPALITY	10,000	17
Total (Acct. 233):	216,980	
Other Deferred Credits (253):		
NONE		18
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	837,200	0	0	0	837,200	1
Materials and Supplies	1,690	0	0	0	1,690	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	189,609	0	0	0	189,609	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	140,259	0	0	0	140,259	6
Other (specify):						
NONE					0	7
Average Net Rate Base	509,022	0	0	0	509,022	
Net Operating Income	64,583	0	0	0	64,583	8
Net Operating Income as a percent of Average Net Rate Base						
	12.69%	N/A	N/A	N/A	12.69%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	58,988	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	119,988	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	178,976	
Net Income		
Net Income	55,881	5
 Percent Return on Proprietary Capital	 31.22%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FINANCIAL SECTION FOOTNOTES

Balance Sheet (Page F-05)

Accounts 223 and 232 were slightly adjusted in 1997 to the balance sheet.

FINANCIAL SECTION FOOTNOTES

Accumulated Provision for Depreciation and Amortization of Utility Plant (Page F-07)

June 30, 1999

Mr. Thomas G. Popp, Jr., Village Administrator
Shorewood Hills Water Utility
810 Shorewood Boulevard
Madison, WI 53705-2115

Re: Review of Utility Plant and Depreciation Expense

Dear Mr. Popp:

The following matters are brought to your attention resulting from a review of utility plant and depreciation expense in the 1998 annual report.

The Commission adopted benchmark depreciation ranges during 1996, with the effective date of January 1, 1997. By letter dated September 25, 1996, with regard to analytical review of the 1995 annual report, your utility was provided with a schedule of depreciation rates for computing depreciator expense on each of the water utility plant accounts. A copy of these depreciation rates is enclosed. It appears that your utility did not use the authorized depreciation rates during 1997 and 1998, as indicated below.

For 1997, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$18,346, whereas only \$15,365 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$2,981.

For 1998, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$18,346, whereas only \$15,364 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$2,982.

We highly recommend that these under accruals be recorded as adjusting journal entries during 1999 by debiting Account 435, Miscellaneous Debits to Surplus, and crediting Account 110, Accumulated Depreciation. This will more properly reflect exhaustion of service life of plant assets so that retirement losses will not occur in the future. If your utility does not adopt the authorized benchmark depreciation rates, the utility's file at the Public Service Commission will be updated to indicate this fact, and this would be a consideration in future rate cases if amortization of retirement losses was requested by your utility.

If you have any questions, feel free to contact me at (608) 266-1282.

Sincerely,

James P. Luckow
Depreciation Specialist
Division of Water, Compliance, and Consumer Affairs

FINANCIAL SECTION FOOTNOTES

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Enclosure

Notes Payable & Miscellaneous Long-Term Debt (Page F-14)

The state trust fund loans issued in 1991 and 1992 along with the 1997 refinancing were all refinanced with the 1998 issue.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

May 20, 1999

Mr. Thomas G. Popp, Jr., Village Administrator
Village of Shorewood Hills Water Utility
810 Shorewood Boulevard
Madison, WI 53705-2115

1998 Analytical Review DWCCA-5450-PJL

Dear Mr. Popp:

The Public Service Commission has completed their analytical review of your 1998 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report.

The Commission adopted benchmark depreciation ranges during 1996, with the effective date of January 1, 1997. By letter dated September 25, 1996, with regard to analytical review of the 1995 annual report, your utility was provided with a schedule of depreciation rates for computing depreciator expense on each of the water utility plant accounts. A copy of these depreciation rates is enclosed. It appears that your utility did not use the authorized depreciation rates during 1997 and 1998, as indicated below.

For 1997, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$18,346, whereas only \$15,365 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$2,981.

For 1998, the authorized depreciation rates times the average of first of year and end of year plant investment result in total accruals of \$18,346, whereas only \$15,364 is reported on page F-7, lines 4 and 6. The apparent under accrual is \$2,982.

We highly recommend that these under accruals be recorded as adjusting journal entries during 1999 by debiting Account 435, Miscellaneous Debits to Surplus, and crediting Account 110, Accumulated Depreciation. This will more properly reflect exhaustion of service life of plant assets so that retirement losses will not occur in the future. If your utility does not adopt the authorized benchmark depreciation rates, the utility's file at the Commission will be updated to indicate this fact, and this would be a consideration in future rate cases if amortization of retirement losses was requested by your utility. Please state your intentions with regard to this matter.

Please provide your response to this letter within 30 days. If you have any questions, please feel free to contact me at (608) 267-9198.

Sincerely,

FINANCIAL SECTION FOOTNOTES

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\1998 analytical review letters\5 20 199 rev letters L.doc

Response received 74/16/99.
Utility considers adjustments immaterial & wished to begin new rates in '99.
Review closed.
PJL

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	224,998	1
Total Sales of Water	224,998	
Other Operating Revenues		
Forfeited Discounts (470)	426	2
Other Water Revenues (474)	1,540	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	1,966	
Total Operating Revenues	226,964	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	98,591	5
General Operating Expenses (680-690)	27,737	6
Total Operation and Maintenance Expenses	126,328	
Other Operating Expenses		
Depreciation Expense (403)	14,354	7
Amortization Expense (404)		8
Taxes (408)	21,699	9
Total Other Operating Expenses	36,053	
Total Operating Expenses	162,381	
NET OPERATING INCOME	64,583	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	584	48,044	119,164	4
Commercial	30	11,871	24,663	5
Industrial		0		6
Total Metered Sales to General Customers (461)	614	59,915	143,827	
Private Fire Protection Service (462)	9		4,488	7
Public Fire Protection Service (463)	1		71,289	8
Other Sales to Public Authorities (464)	4	2,648	5,394	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
 Total Sales of Water	 628	 62,563	 224,998	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	71,289	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	71,289	
Forfeited Discounts (470):		
Customer late payment charges	426	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	426	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,475	7
Other (specify):		
Miscellaneous sales	65	8
Total Other Water Revenues (474)	1,540	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	15,437	1
Purchased Water (610)	64,264	2
Fuel or Power Purchased for Pumping (620)	4,961	3
Chemicals (630)		4
Supplies and Expenses (640)	7,725	5
Repairs of Water Plant (650)	204	6
Transportation Expenses (660)	6,000	7
Total Plant Operation and Maintenance Expenses	98,591	
 GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	11,469	8
Office Supplies and Expenses (681)	75	9
Outside Services Employed (682)	6,193	10
Insurance Expense (684)		11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	10,000	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	27,737	
 Total Operation and Maintenance Expenses	126,328	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		20,190	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		457	2
Net property tax equivalent		19,733	
Social Security		1,690	3
PSC Remainder Assessment		276	4
Other (specify): NONE			5
Total tax expense		21,699	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Dane				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.202419				3
County tax rate	mills		3.920160				4
Local tax rate	mills		5.276067				5
School tax rate	mills		14.492705				6
Voc. school tax rate	mills		1.497996				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		25.389347				10
Less: state credit	mills		2.674829				11
Net tax rate	mills		22.714518				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		5.276067				14
Combined School Tax Rate	mills		15.990701				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.266768				17
Total Tax Rate	mills		25.389347				18
Ratio of Local and School Tax to Total	dec.		0.837626				19
Total tax net of state credit	mills		22.714518				20
Net Local and School Tax Rate	mills		19.026263				21
Utility Plant, Jan. 1	\$	837,200	837,200				22
Materials & Supplies	\$	1,690	1,690				23
Subtotal	\$	838,890	838,890				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	838,890	838,890				26
Assessment Ratio	dec.		0.950800				27
Assessed Value	\$	797,617	797,617				28
Net Local & School Rate	mills		19.026263				29
Tax Equiv. Computed for Current Year	\$	15,176	15,176				30
Tax Equivalent per 1994 PSC Report	\$	20,190					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	20,190					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	0	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	149,313		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	89,783		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	14,018		20
Total Pumping Plant	253,114	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	11,512		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			149,313 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			89,783 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			14,018 20
Total Pumping Plant	0	0	253,114
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			11,512 24
Structures and Improvements (341)			0 25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	0		26
Transmission and Distribution Mains (343)	358,829		27
Fire Mains (344)	0		28
Services (345)	51,990		29
Meters (346)	50,496		30
Hydrants (348)	96,962		31
Other Transmission and Distribution Plant (349)	734		32
Total Transmission and Distribution Plant	570,523	0	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	693		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	12,870		38
Other Tangible Property (390)	0		39
Total General Plant	13,563	0	
Total utility plant in service directly assignable	837,200	0	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	837,200	0	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)			358,829 27
Fire Mains (344)			0 28
Services (345)			51,990 29
Meters (346)			50,496 30
Hydrants (348)			96,962 31
Other Transmission and Distribution Plant (349)			734 32
Total Transmission and Distribution Plant	0	0	570,523
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			693 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			12,870 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	13,563
Total utility plant in service directly assignable	0	0	837,200
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	837,200

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January				0	1
February				0	2
March				0	3
April	28,960			28,960	4
May				0	5
June				0	6
July				0	7
August				0	8
September				0	9
October	38,163			38,163	10
November				0	11
December				0	12
Total for year	67,123	0	0	67,123	
Less: Measured or estimated water used in main flushing and water treatment during year					13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				67,123	16
Less: Water sold				62,563	17
Losses and unaccounted for				4,560	18
Percent unaccounted for to the nearest whole percent (%)				7%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				1	21
Date of maximum: 1/1/1998					22
Cause of maximum:					23
See footnote					
Minimum gallons pumped by all methods in any one day during reporting year				1	24
Date of minimum: 1/1/1998					25
Total KWH used for pumping for the year				75,089	26
If water is purchased: Vendor Name: City of Madison Water Utility					27
Point of Delivery: Four locations					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
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NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	4 CORNERS	TALLY HO BOOSTER #1	TALLY HO BOOSTER #2	1
Location	3302 BLACKHAWK	3561 TALLY HO	3561 TALLY HO	2
Purpose	B	B	B	3
Destination	D	D	D	4
Pump Manufacturer	FAIRBANKS	CRANE DEMING	CRANE DEMING	5
Year Installed	1971	1991	1991	6
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	7
Actual Capacity (gpm)	600	400	400	8
Pump Motor or Standby Engine Mfr	FAIRBANKS MORSE	US MOTORS	US MOTORS	9 10
Year Installed	1974	1991	1991	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	25	20	20	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	TALLY HO BOOSTER #3			14
Location	3561 TALLY HO			15
Purpose	B			16
Destination	D			17
Pump Manufacturer	CRANE DEMING			18
Year Installed	1991			19
Type	CENTRIFUGAL			20
Actual Capacity (gpm)	1,000			21
Pump Motor or Standby Engine Mfr	US MOTORS			22 23
Year Installed	1991			24
Type	ELECTRIC			25
Horsepower	25			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

- 1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
- 2. Use a separate column for each using additional copies if necessary.
- 3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
----------------------------------	-----------------------------	-----------------------------	-----------------------------

NONE

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	2.000	420	0	0	0	420	1
M	D	6.000	39,068	0	0	0	39,068	2
M	D	8.000	9,580	0	0	0	9,580	3
M	D	10.000	954	0	0	0	954	4
M	D	12.000	560	0	0	0	560	5
Total Within Municipality			50,582	0	0	0	50,582	
Total Utility			50,582	0	0	0	50,582	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	466	0	0	0	466	1	1
M	1.000	114	0	0	0	114		2
M	1.500	14	0	0	0	14		3
M	2.000	6	0	0	0	6		4
M	3.000	1	0	0	0	1		5
M	4.000	2	0	0	0	2		6
Total Utility		603	0	0	0	603	1	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (a).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	440	0	0	0	440	14	1
0.750	176	0	0	(1)	175	5	2
1.000	47	0	0	0	47	1	3
1.500	3	0	0	0	3	0	4
2.000	8	0	0	0	8	0	5
3.000	1	0	0	0	1	0	6
Total:	675	0	0	(1)	674	20	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	408	8	0	0	0	24	440	1
0.750	147	5	0	1	0	22	175	2
1.000	28	11	0	2	0	6	47	3
1.500	1	2	0	0	0	0	3	4
2.000	0	4	0	0	0	4	8	5
3.000	0	0	0	1	0	0	1	6
Total:	584	30	0	4	0	56	674	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	72				72	2
Total Fire Hydrants	72	0	0	0	72	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	72
Number of distribution system valves end of year:	94
Number of distribution valves operated during year:	94

WATER OPERATING SECTION FOOTNOTES

Pumping and Purchased Water Statistics (Page W-10)

The village has 4 meters and reads them monthly. Not providing this information has satisfied the PSC in the past. The 1's for maximum gallons pumped and minimum gallons pumped along with 1/1/98 for the dates of these statistics were entered to override the edit checks in order to electronically file the PSC Report.

Meters (Page W-17)

Utility made an adjustment to get the number of meters to actual per utility analysis.
