



3018 (02-09-04)

ANNUAL REPORT

OF

Name: VILLE DU PARC WATER UTILITY, INC.Principal Office: 12309 NORTH GOLF DRIVE
MEQUON, WI 53092-2461For 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: VILLE DU PARC WATER UTILITY, INC.

Utility Address: 12309 NORTH GOLF DRIVE
MEQUON, WI 53092-2461

When was utility organized? 8/1/1964

Report any change in name:

Effective Date:

Utility Web Site:

Officer in charge of correspondence concerning this report:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

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

Name: MR JOHN A KNEPEL

Title: PARTNER

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP
20800 SWENSON DRIVE, SUITE 200
P.O. BOX 867
WAUKESHA, WI 53187-0867

Telephone: (414) 798 - 8900 EXT 268

Fax Number: (414) 798 - 8977

E-mail Address: jknepel@virchowkrause.com

Are records of utility audited by individuals or firms, other than utility employee? NO

Date of most recent audit report:

Period covered by most recent audit:

IDENTIFICATION AND OWNERSHIP

OFFICERS AND DIRECTORS

Name/Title and Business Address	Length Of	Term Expires	Meetings Attended
Officer's Name/Title BRADLEY CHAMBERLAIN/SEC/TREASURER Business Address (1) 1638 WASHINGTON ST Business Address (2) Business Address (3) City/State/Zip GRAFTON, WI 53024	1		1
Officer's Name/Title MARY CHAMBERLAIN/VICE PRESIDENT Business Address (1) 12309 N. GOLF DRIVE Business Address (2) Business Address (3) City/State/Zip MEQUON, WI 53092	1		2
Officer's Name/Title ROBERT W. CHAMBERLAIN/PRESIDENT Business Address (1) 12309 N. GOLF DRIVE Business Address (2) Business Address (3) City/State/Zip MEQUON, WI 53092	1		3

COMMON STOCKHOLDERS

From the stockholder list nearest the end of the year report the greatest of: 1) the ten largest shareholders of voting securities or 2) all shareholders owning 5% or more of voting securities. List names, addresses and shareholdings. If any stock is held by a nominee, give known particulars as to the beneficial owner (see Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Date of stockholders' list nearest end of year: 12/31/1998

	Common	Preferred	Total
Number of stockholders on above date:	1		1
Number of shareholders in Wisconsin:	1		1
Percent of outstanding stock owned by Wisconsin Stockholders:	100.00%		

Stockholders:

Name: ROBERT W. CHAMBERLAIN
Address: 12309 N. GOLF DRIVE
 MEQUON, WI 53092

Number of Shares Held: 100
Beneficial Owner: NONE

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	258,973	132,149	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	101,684	129,004	2
Depreciation Expense (403)	35,612	26,681	3
Amortization Expense (404)	1,268	0	4
Taxes Other than Income Taxes (408.1)	2,366	4,161	5
Income Taxes (409.1)	15,504	25	6
Investment Tax Credit, Deferred to Future Periods (412.1)	0	0	7
Investment Tax Credit, Restored to Operating Income (412.2)	0	0	8
Total Operating Expenses	156,434	159,871	
Net Operating Income	102,539	(27,722)	
Income from Utility Plant Leased to Others (413)	0	0	9
Gains (Losses) from Disposition of Utility Property (414)	0	0	10
Utility Operating Income	102,539	(27,722)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	11
Income from Nonutility Operations (417)	0	0	12
Nonoperating Rental Income (418)	0	0	13
Interest and Dividend Income (419)	338	87	14
Allowance for Funds used during Construction (420)			15
Miscellaneous Nonoperating Income (421)	0	0	16
Gains (Losses) from Disposition of Property (422)	0	0	17
Total Other Income	338	87	
Total Income	102,877	(27,635)	
OTHER INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	18
Miscellaneous Income Deductions (426)	0	0	19
Total Other Income Deductions	0	0	
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
Taxes Other than Income Taxes (408.2)	(5,235)		20
Income Taxes (409.2)			21
Investment Tax Credit, Nonutility Operations, Net (412.4)			22
Total Taxes Applicable to Other Income and Deductions	5,235	0	
Income Before Interest Charges and Extraordinary Item:	97,642	(27,635)	
INTEREST CHARGES			
Interest on Long-term Debt (427)	29,519	0	23
Amortization of Debt Discount and Expense (428)	891		24
Amortization of premium on Debt-Cr. (429)			25
Interest on Debt to Associated Companies (430)	0	0	26
Other Interest Expense (431)	0	4,656	27
Total Interest Charges	30,410	4,656	
Income Before Extraordinary Items	67,232	(32,291)	

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
EXTRAORDINARY ITEMS			
Extraordinary Income (433)			28
Extraordinary Deductions (434)	0	0	29
Income Taxes, Extraordinary Items (409.3)			30
Total Extraordinary Items	0	0	
Net Income	67,232	(32,291)	
RETAINED EARNINGS			
Unappropriated Retained Earnings (at beginning of period)	(19,128)	13,163	31
Balance transferred from Income (435)	67,232	(32,291)	32
Appropriations of Retained Earnings (436)	0	0	33
Dividends Declared-Preferred Stock (437)			34
Dividends Declared-Common Stock (438)			35
Adjustments to Retained Earnings (439)	(6,560)	0	36
Total Retained Earnings	41,544	(19,128)	

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)	
Income from Utility Plant Leased to Others (413):		
NONE		1
Total (Acct. 413):	0	
Gains (Losses) from Disposition of Utility Property (414):		
NONE		2
Total (Acct. 414):	0	
Income from Nonutility Operations (417):		
NONE		3
Total (Acct. 417):	0	
Nonoperating Rental Income (418):		
NONE		4
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
MONEY MARKET ACCOUNTS	338	5
Total (Acct. 419):	338	
Miscellaneous Nonoperating Income (421):		
NONE		6
Total (Acct. 421):	0	
Gains (Losses) from Disposition of Property (422):		
NONE		7
Total (Acct. 422):	0	
Miscellaneous Amortization (425):		
NONE		8
Total (Acct. 425):	0	
Miscellaneous Income Deductions (426):		
NONE		9
Total (Acct. 426):	0	
Extraordinary Deductions (434):		
NONE		10
Total (Acct. 434):	0	
Appropriations of Retained Earnings (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Adjustments to Retained Earnings (439):		
ADJUSTMENT FOR DUPLICATE REPLACEMENT VALVE CAPITALIZED IN 1997	(6,560)	12
Total (Acct. 439):	(6,560)	

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 from 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):					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	258,973	0	0	0	258,973	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: uncollectibles directly expensed as reported in water acct. 904 -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	4
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	5
Revenues subject to Wisconsin Remainder Assessment	258,973	0	0	0	258,973	

SALARIES AND WAGES

Show total compensation paid each officer during the year, including bonuses and other allowances.
 Furnish particulars as to bonuses and allowances. Show final distribution of payroll including amounts from clearing accounts.

OFFICERS' COMPENSATION

Name (a)	Official Title (b)	Total Comp (c)	
ROBERT W. CHAMBERLAIN	PRESIDENT	16,610	1
Total Salaries and Wages		<u>16,610</u>	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,391,158	1,416,148	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	295,668	290,899	2
Net Utility Plant	2,095,490	1,125,249	
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	
Other Investments (124)	0	0	5
Special Funds (125)	31,504	0	6
Total Other Property and Investments	31,504	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	28,865	1,416	7
Temporary Cash Investments (132)			8
Notes Receivable (141)	0	0	9
Customer Accounts Receivable (142)	83,408	45,803	10
Other Accounts Receivable (143)	44,016	0	11
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	12
Materials and Supplies (150)	0	0	13
Prepayments (166)	2,912	3,224	14
Other Current and Accrued Assets (170)			15
Total Current and Accrued Assets	159,201	50,443	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	34,756	20,631	16
Extraordinary Property Losses (182)	49,471	0	17
Other Deferred Debits (183)	0	0	18
Total Deferred Debits	84,227	20,631	
Total Assets and Other Debits	2,370,422	1,196,323	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Common Capital Stock (201)	500	500	19
Preferred Capital Stock (204)			20
Other Paid-in Capital (207)			21
Installments Received on Capital Stock (212)			22
Capital Stock Expense (214)			23
Appropriated Retained Earnings (215)			24
Unappropriated Retained Earnings (216)	41,544	(19,128)	25
Reacquired Capital Stock (217)			26
Non-corporate Proprietorship (218)			27
Total Proprietary Capital	42,044	(18,628)	
LONG-TERM DEBT			
Bonds (221)	0		28
Advances from Associated Companies (223)	0	0	29
Other Long-term Debt (224)	1,061,052	40,698	30
Total Long-Term Debt	1,061,052	40,698	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	2,382	31
Accounts Payable (232)	156,586	69,404	32
Customer Deposits (235)			33
Taxes Accrued (236)	307	420	34
Interest Accrued (237)	8,424	44	35
Other Current and Accrued Liabilities (238)	28,264	28,258	36
Total Current and Accrued Liabilities	193,581	100,508	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	37
Customer Advances for Construction (252)			38
Other Deferred Credits (253)	0	0	39
Accumulated Deferred Investment Tax Credits (255)	0	0	40
Total Deferred Credits	0	0	
OPERATING RESERVES			
Property Insurance Reserve (261)			41
Injuries and Damages Reserve (262)			42
Pensions and Benefits Reserve (263)			43
Miscellaneous Operating Reserves (265)			44
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,073,745	1,073,745	45
Total Liabilities and Other Credits	2,370,422	1,196,323	

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)	2,391,158	0	0	0	1
Other Tangible Property (390)					2
Utility Plant Purchased or Sold (391)					3
Utility Plant in Process of Reclassification (392)					4
Utility Plant Leased to Others (393)					5
Property Held for Future Use (394)					6
Construction Work in Progress (395)					7
Utility Plant Acquisition Adjustments (396)					8
Other Utility Plant Adjustments (397)					9
Total Utility Plant	2,391,158	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	295,668	0	0	0	10
Total Accumulated Provision	295,668	0	0	0	
Net Utility Plant	2,095,490	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	290,899				290,899	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	35,612				35,612	4
						5
						6
Accruals charged other accounts (specify):						7
						8
					0	9
Salvage					0	10
Other credits (specify):						11
PROPERTY LOSS	66,218				66,218	12
Total credits	101,830	0	0	0	101,830	13
Debits during year						14
Book cost of plant retired	97,061				97,061	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	97,061	0	0	0	97,061	19
Balance End of Year	295,668	0	0	0	295,668	20
						21
						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.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
	0			0	1
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	2
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					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		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	0	0

**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)				
LEGAL FEES AND DEBT ISSUE COSTS	891	428	34,756	1
Total			<u><u>34,756</u></u>	
Unamortized premium on debt (251)				
NONE				2
Total			<u><u>0</u></u>	

CAPITAL STOCK (ACCTS. 201 AND 204)

Particulars (a)	Common Stock (201) (b)	Preferred Stock (204) (c)	
Par or stated value per share	1.00		1
Total par value provided in articles of incorporation	2,000.00		2
Total par value issued	500.00		3
Dividends declared per share for year			4

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.

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)	
Other Long-Term Debt (224)					
NOTES PAYABLE BANK	10/06/1997	08/01/2000	8.29%	26,545	1
BANK INTERIM CONSTRUCT LOAN	10/06/1997	02/01/2004	7.50%	1,034,507	2
Total for Account 224				1,061,052	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	420	1
Accruals:		
Charged water department expense	2,366	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
WISCONSIN INCOME TAXES	25	5
INCOME TAX BENEFIT ON PROPERTY LOSS	15,479	6
Total Accruals and other credits	17,870	
Taxes paid during year:		
County, state and local taxes	498	7
Social Security taxes	723	8
PSC Remainder Assessment	1,235	9
Other (explain):		
FEDERAL UNEMPLOYMENT TAXES	48	10
INCOME TAX BENEFIT ON PROPERTY LOSS	15,479	11
Total payments and other debits	17,983	
Balance end of year	307	

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 Associated Companies (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other Long-term Debt (224)					
M & I CONSTRUCTION LOAN	0	26,558	18,134	8,424	3
M 7 I BANK LOAN		2,961	2,961	0	4
Subtotal	0	29,519	21,095	8,424	
Notes Payable (231)					
M & I CONSTRUCTION LOAN	44	0	44	0	5
Subtotal	44	0	44	0	
Total	44	29,519	21,139	8,424	

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	1,073,745	0	0	0	0	1,073,745	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):						0	4
Deduct charges (specify):						0	5
Balance End of Year	1,073,745	0	0	0	0	1,073,745	
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)	
Other Investments (124):		
NONE		1
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE ESCROW	26,258	2
IMPROVEMENT ESCROW	5,246	3
Total (Acct. 125):	31,504	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	83,408	5
Other (specify):		
NONE		6
Total (Acct. 142):	83,408	
Other Accounts Receivable (143):		
Merchandising, jobbing and contract work		7
Other (specify):		
DUE FROM CITY OF MEQUON	43,750	8
ACCRUED INTEREST RECEIVABLE	266	9
Total (Acct. 143):	44,016	
Prepayments (166):		
INSURANCE	1,912	10
FEDERAL INCOME TAXES	1,000	11
Total (Acct. 166):	2,912	
Extraordinary Property Losses (182):		
UNAMORTIZED LOSS FROM ABANDONEMENT OF PLANT (AMORT. AUTHORIZED 3/31/99)	49,471	12
Total (Acct. 182):	49,471	
Other Deferred Debits (183):		
NONE		13
Total (Acct. 183):	0	
Other Deferred Credits (253):		
NONE		14
Total (Acct. 253):	0	
Accumulated Deferred Investment Tax Credits (255):		
NONE		15
Total (Acct. 255):	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	1,886,457	0	0	0	1,886,457	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						0
						3
Less Average:						
Reserve for Depreciation	293,283	0	0	0	293,283	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,073,745	0	0	0	1,073,745	6
Other (specify):						0
						7
Average Net Rate Base	519,429	0	0	0	519,429	
Net Operating Income	102,539	0	0	0	102,539	8
Net Operating Income as a percent of Average Net Rate Base	19.74%	N/A	N/A	N/A	19.74%	

RETURN ON COMMON EQUITY COMPUTATION

1. Sort data on a corporate basis, not a consolidated basis.
2. The data used in calculating average common equity is based on monthly averages, if available.
3. If monthly averages are not available, use average of beginning and end of year.

Description (a)	Common Equity (b)	Common Equity Plus ITC (c)	
Average Common Equity			
Common Stock Outstanding	500		1
Premium on Capital Stock			2
Capital Stock Expense			3
Retained Earnings			4
Deferred Investment Tax Credit			5
Other (Specify):			
CONTRIBUTIONS IN AID OF CONSTRUCTION	1,073,745		6
Average Common Stock Equity	1,074,245	0	
Net Income			
Add:			
Net Income	82,348		7
Other (Specify):			
NONE			8
Less:			
Preferred Dividends			9
Other (Specify):			
NONE			10
Adjusted Net Income	82,348	0	
Percent Return on Equity	7.67%	0.00%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

NONE

FINANCIAL SECTION FOOTNOTES

Important Changes During the Year (Page F-22)

THE UTILITY COMPLETED CONSTRUCTION ON THE REPLACEMENT OF A MAJOR PART OF ITS SYSTEM. THE CONSTRUCTION WAS FINANCED BY A BANK LOAN.

THE UTILITY ALSO IMPLEMENTED STEP II RATE INCREASED AS AUTHORIZED BY IT'S LAST RATE ORDER DATED SEPTEMBER 4, 1997.

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	258,973	1
Total Sales of Water	258,973	
Other Operating Revenues		
Forfeited Discounts (470)	0	2
Other Water Revenues (474)	0	3
Total Other Operating Revenues	0	
Total Operating Revenues	258,973	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	33,567	4
General Expenses (680-690)	68,117	5
Total Operation and Maintenance Expenses	101,684	
Other Operating Expenses		
Depreciation Expense (403)	35,612	6
Amortization Expense (404)	1,268	7
Taxes Other Than Income Taxes (408.1)	2,366	8
Income taxes (409.1)	15,504	9
Investment Tax Credits, Deferred (412.1)		10
Investment Tax Credits, Restored (412.2)		11
Total Other Operating Expenses	54,750	
Total Operating Expenses	156,434	
NET OPERATING INCOME	102,539	

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	547	50,472	258,973	4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	547	50,472	258,973	
Private Fire Protection Service (462)				
				7
Public Fire Protection Service (463)				
				8
Other Sales to Public Authorities (464)				
				9
Sales to Irrigation Customers (465)				
				10
Sales for Resale (466)				
		0	0	11
Interdepartmental Sales (467)				
				12
Total Sales of Water	547	50,472	258,973	

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)	
Forfeited Discounts (470):		
Customer late payment charges		1
Other (specify):		
		2
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
		3
Total Other Water Revenues (474)	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)	1,100	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	15,946	3
Chemicals (630)		4
Supplies and Expenses (640)		5
Repairs of Water Plant (650)	16,521	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	33,567	
 GENERAL EXPENSES		
Administrative and General Salaries (680)	22,310	8
Office Supplies and Expenses (681)	2,789	9
Outside Services Employed (682)	39,882	10
Insurance Expense (684)	2,914	11
Employee Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	222	14
Uncollectible Accounts (690)		15
Total General Expenses	68,117	
 Total Operation and Maintenance Expenses	101,684	

TAXES (ACCTS. 408.1 AND 409.1)

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

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Taxes other than income taxes (Acct 408.1)			
Property Tax			1
Social Security		898	2
Wisconsin Gross Receipts Tax			3
PSC Remainder Assessment		1,235	4
Other (specify): STATE AND FEDERAL UNEMPLOYMENT TAXES		233	5
Total taxes other than income taxes		2,366	
Income Taxes (Acct 409.1)			
WISCONSIN INCOME TAXES		25	6
INCOME TAX BENEFIT ON PROPERTY LOSS		15,479	7
Total income taxes		15,504	
Total tax expense		17,870	

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.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	786		1
Franchises and Consents (302)	0		2
Total Intangible Plant	786	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	5,000		3
Structures and Improvements (311)	0		4
Collecting and Impounding Reservoirs (312)	0		5
Lake, River and Other Intakes (313)	0		6
Wells and Springs (314)	115,403		7
Infiltration Galleries and Tunnels (315)	0		8
Supply Mains (316)	0		9
Total Source of Supply Plant	120,403	0	
PUMPING PLANT			
Land and Land rights (320)	0		10
Structures and Improvements (321)	39,317		11
Boiler Plant Equipment (322)	0		12
Other Power Production Equipment (323)	0		13
Steam Pumping Equipment (324)	0		14
Electric Pumping Equipment (325)	116,496	9,210	15
Diesel Pumping Equipment (326)	0		16
Hydraulic Pumping Equipment (327)	0		17
Other Pumping Equipment (328)	15,490		18
Total Pumping Plant	171,303	9,210	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		19
Structures and Improvements (331)	0		20
Water Treatment Equipment (332)	3,038		21
Total Water Treatment Plant	3,038	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		22
Structures and Improvements (341)	0		23
Distribution Reservoirs and Standpipes (342)	48,408		24
Transmission and Distribution Mains (343)	727,747	731,291	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)			786	1
Franchises and Consents (302)			0	2
Total Intangible Plant	0	0	786	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			5,000	3
Structures and Improvements (311)			0	4
Collecting and Impounding Reservoirs (312)			0	5
Lake, River and Other Intakes (313)			0	6
Wells and Springs (314)			115,403	7
Infiltration Galleries and Tunnels (315)			0	8
Supply Mains (316)			0	9
Total Source of Supply Plant	0	0	120,403	
PUMPING PLANT				
Land and Land rights (320)			0	10
Structures and Improvements (321)			39,317	11
Boiler Plant Equipment (322)			0	12
Other Power Production Equipment (323)			0	13
Steam Pumping Equipment (324)			0	14
Electric Pumping Equipment (325)	11,921		113,785	15
Diesel Pumping Equipment (326)			0	16
Hydraulic Pumping Equipment (327)			0	17
Other Pumping Equipment (328)			15,490	18
Total Pumping Plant	11,921	0	168,592	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	19
Structures and Improvements (331)			0	20
Water Treatment Equipment (332)			3,038	21
Total Water Treatment Plant	0	0	3,038	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	22
Structures and Improvements (341)			0	23
Distribution Reservoirs and Standpipes (342)			48,408	24
Transmission and Distribution Mains (343)	75,015	(6,560)	1,377,463	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.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Fire Mains (344)	0		26
Services (345)	149,277	291,864	27
Meters (346)	68,604	1,311	28
Hydrants (348)	91,664	79,347	29
Other Transmission and Distribution Plant (349)	0		30
Total Transmission and Distribution Plant	1,085,700	1,103,813	
 GENERAL PLANT			
Land and Land Rights (370)	0		31
Structures and Improvements (371)	0		32
Office Furniture and Equipment (372)	526		33
Computer Equipment (372.1)			34
Transportation Equipment (379)	0		35
Total General Plant	526	0	
Total utility plant in service	1,381,756	1,113,023	

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			
Fire Mains (344)			0 26
Services (345)			441,141 27
Meters (346)	2,725		67,190 28
Hydrants (348)	7,400		163,611 29
Other Transmission and Distribution Plant (349)			0 30
Total Transmission and Distribution Plant	85,140	(6,560)	2,097,813
GENERAL PLANT			
Land and Land Rights (370)			0 31
Structures and Improvements (371)			0 32
Office Furniture and Equipment (372)			526 33
Computer Equipment (372.1)			0 34
Transportation Equipment (379)			0 35
Total General Plant	0	0	526
Total utility plant in service	97,061	(6,560)	2,391,158

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			5,086	5,086	1
February			3,186	3,186	2
March			5,147	5,147	3
April			4,122	4,122	4
May			8,625	8,625	5
June			6,438	6,438	6
July			11,193	11,193	7
August			9,395	9,395	8
September			7,588	7,588	9
October			6,489	6,489	10
November			4,098	4,098	11
December			5,151	5,151	12
Total for year	0	0	76,518	76,518	
Less: Measured or estimated water used in main flushing and water treatment during year				550	13
Less: Other utility use				50	14
Other utility use explanation:					15
SPOT FLUSHING DURING THE YEAR					
Water pumped into distribution system				75,918	16
Less: Water sold				50,472	17
Losses and unaccounted for				25,446	18
Percent unaccounted for to the nearest whole percent (%)				34%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
MAJOR SYSTEM REPLACEMENT DURING THE YEAR					
Maximum gallons pumped by all methods in any one day during reporting year				394,000	21
Date of maximum: 7/12/1998					22
Cause of maximum:					23
HOT WEATHER AND MAJOR SYSTEM REPLACEMENT DURING THE YEAR					
Minimum gallons pumped by all methods in any one day during reporting year				89,000	24
Date of minimum: 1/25/1998					25
Total KWH used for pumping for the year				229,221	26
If water is purchased: Vendor Name:					27
Point of Delivery:					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)	
#1 DEEP WELL 1963	1	350	120	504,000	Yes	1
#2 DEEP WELL 1969	2	300	120	432,000	Yes	2
#3 DEEP WELL 1979	3	300	80	252,000	Yes	3
#4 DEEP WELL 1989	4	575	80	302,400	Yes	4

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	1	2	3	1
Location	WELL 1	WELL 2	WELL 3	2
Purpose	P	P	P	3
Destination	D	D	D	4
Pump Manufacturer	BYRON JACK	BYRON JACK	GRUNDFO	5
Year Installed	1994	1969	1993	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	290	100	230	8
Pump Motor or Standby Engine Mfr	W/HDA SWITCH	W/HDA SWITCH	W/HDA SWITCH	9 10
Year Installed	1994	1969	1993	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	4			14
Location	WELL 4			15
Purpose	P			16
Destination	D			17
Pump Manufacturer	GRUNDFO			18
Year Installed	1989			19
Type	VERTICAL TURBINE			20
Actual Capacity (gpm)	200			21
Pump Motor or Standby Engine Mfr	W/HDA SWITCH			22 23
Year Installed	1989			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 and diameter.
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	6.000	9,710	0	9,710	0	0	1
P	D	6.000	7,868	12,349	0	0	20,217	2
M	D	8.000	4,720	0	4,720	0	0	3
P	D	8.000	23,336	4,670	0	0	28,006	4
Total Utility			45,634	17,019	14,430	0	48,223	

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	1.000	519	0	0	0	519	0	1
Total Utility		519	0	0	0	519	0	

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)	
0.750	502	10	10	0	502	10	1
1.000	17	1	1	0	17	10	2
Total:	519	11	11	0	519	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)	
0.750	502	0	0	0	0	0	502	1
1.000	17	0	0	0	0	0	17	2
Total:	519	0	0	0	0	0	519	

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.

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	74	25	20		79	1
Total Fire Hydrants	74	25	20	0	79	
Flushing Hydrants	0				0	2
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:

Number of distribution system valves end of year:

Number of distribution valves operated during year:

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-07)

ADJUSTMENT TO A/C 343:

REMOVE DUPLICATE POSTING OF VALVE REPLACEMENT PER JUNE 11, 1998 PSC LETTER

Water Mains (Page W-14)

WATERMAINS ADDED DURING 1998 WERE FINANCED BY THE ISSUANCE OF LONG-TERM DEBT BY THE UTILITY.
