

WATER UTILITY ANNUAL REPORT

(Class "A" and "B" Companies)

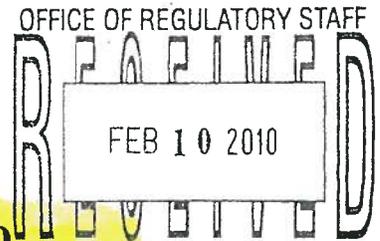
OF

Harbor Island Utilities, Inc

Exact Legal Name of Respondent



PSC/ORS Number (leave blank)



FOR THE YEAR ENDED 2009

Calendar Year Ending December 31, 2008

or

Fiscal Year Ending October 31, 2009

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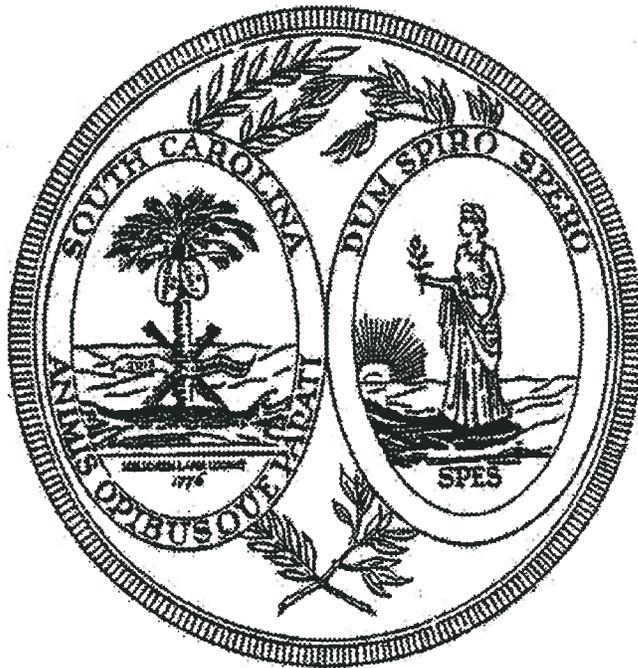


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GENERAL INSTRUCTIONS

1. All water utilities are required by state law to complete and file this annual report. Two copies should be mailed to the South Carolina Office of Regulatory Staff, 1401 Main Street, Ste. 900, Columbia, SC 29201 by April 1, 2009. A third copy should be retained by the company for reference. Upon receipt, the Office of Regulatory Staff will forward one copy to the Public Service Commission of South Carolina. Filing two copies with the Office of Regulatory Staff will satisfy the utility's responsibility for submitting an annual report as required pursuant to Commission regulations. Pencil entries will not be permitted on the hard copy.
2. All forms are available in MS Excel on the Office of Regulatory Staff web site at www.regulatorystaff.sc.gov.
3. Respond to each item using "0", "none", or "not applicable" as appropriate.
4. Requests for extension must be in writing to the Office of Regulatory Staff. Extension requests postmarked after April 1, 2009 will be denied.
5. All accounting terms and phrases used in this report are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission, as set forth in S.C. Code Ann. Section 58-5-220 and Commission regulation 103-719.
6. Standard accounting procedures will apply in determining the nature of any entry (e.g. entries of a reverse character will be indicated by a parentheses around the number).
7. The report will be filed consisting of data relative to a calendar year basis or the company's fiscal year, but not both.
8. If this report is made for a period less than the calendar year or fiscal year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where it is necessary to include the period covered. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes).
9. All instructions should be followed and each question should be answered fully and accurately. Sufficient answers are those in which no question or schedule has been overlooked. The expression "none" or "not applicable" should be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. In any instance where information called for is not given, the reason for its omission should be stated fully.
10. Dates, when called for, should include the day, month and year. Customary abbreviations may be used in stating dates.
11. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year; otherwise, an appropriate explanation of why different figures were used should be given.
12. One copy of the respondent's latest corporate annual report, if issued, should be submitted with this report. If the respondent is a member of a group, both the parent and subsidiary's corporate annual report should be submitted.

(Company Name)

**GENERAL INSTRUCTIONS
(Continued)**

13. Throughout this report, money items will be rounded to the nearest dollar.
14. Failure to comply with the submission of the annual report may result in fines and/or loss of certification.
15. Separate notification is required for changes in company information -- i.e. name, address, telephone number, contact names, sale or purchase of Company, corporate structure.
16. Do not fold forms.
17. Contact the Office of Regulatory Staff at (803) 737-0800 if you have questions about this form or the requirements for a water or wastewater utility.

(Company Name)

Schedule 100. IMPORTANT CHANGES DURING THE YEAR

Provide written responses for each of the items listed below. Make the written statements clear and brief. A response must be given for each item. However, if the word "none" is an accurate response, it may be used as such. Similarly, if information is given elsewhere in the report which would serve as a response to an item, reference that information in the space provided.

1. Have you had changes or additions to franchise rights? If so, describe (a) the actual payment given in exchange for the franchise rights, and (b) from whom acquired. If acquired without payment, state that fact.

No

2. Have any of the following occurred -- acquisition of other companies, or reorganization, merger or consolidation with other companies? If so, give names of companies involved, details concerning the transactions, and reference to Commission authorization, including docket numbers.

No

3. Have any of the following occurred -- purchase or sale of operating units, such as sources, treatment and storage facilities, transmission and distribution systems, or similar occurrences? If so, specify items, parties, effective dates and also reference the Commission authorization, including docket numbers.

No

4. Have any leaseholds been acquired, given, assigned, or surrendered? If so, give the effective dates, lengths of terms, names of parties, rents, Commission authorization, (docket numbers), if any, and other conditions.

No

5. Have there been any extensions of service territories? If so, include the Commission authorization (docket numbers), that give the location of the new service territory covered by distribution system and the dates of beginning operations. Give the number of customers by class; for each class, give the number of customers estimated with regard to annual revenues for the new territories.

No

6. What is the estimated increase or decrease in annual revenues due to rate changes, (cite docket numbers), and the approximate extent to which the increase or decrease is reflected in revenues for the reporting year?

No rate changes

7. Have there been any wage scale changes? If so, show the dates of changes, the effect on operating expenses for the year, and estimated annual effect of the wage scale changes on operating expenses.

No

8. Have there been any obligations incurred or assumed by you, the respondent, as guarantor for the performance by another of any agreement or obligation -- excluding ordinary corporate bonds maturing on demand or not later than one year after date of issue? If so, give the Commission authorization, (docket number), if any. No

9. Have there been any changes in articles of incorporation or amendments to charters? If so, explain the nature and purpose of these changes or amendments. Note any filing with the Commission.

No

10. Other changes not provided for elsewhere.

No

Schedule 110. DEFINITIONS

“Accounts” means the accounts prescribed in the NARUC Uniform System of Accounts.

“Amortization” means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

“Book Cost” means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

“Class A” for water utilities means a utility having annual water operating revenues of \$1,000,000 or more.

“Class B” for water utilities means a utility having annual water operating revenues of \$200,000 or more but less than \$1,000,000.

“Class C” for water utilities means a utility having annual water operating revenues of less than \$200,000.

“Control” (including the terms; “controlling,” “controlled by,” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

“Cost” means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

“Debt Expense” means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

“Depreciation”, as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

“Distribution Mains” means any pipes whose primary purpose is to distribute treated water throughout a community, and whose components include arterial or primary feeders, secondary feeders, and the distribution grid works.

Schedule 110. DEFINITIONS (Continued)

“Investment Advances” means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

“Minor Items of Property” means the associated parts or items of which retirement units are composed.

“Net Salvage Value” means the salvage value of property retired less the cost of removal.

“Nominally Issued”, as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

“Original Cost”, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

“Property Retired”, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

“Replacing or Replacement”, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

“Retained Earnings” means the accumulated net income of the utility less distributions to stockholders and transfers to other capital accounts, and other adjustments.

“Salvage Value” means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

“Straight-Line Remaining Life Method”, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and (accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. “Remaining Life” implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

“Supply Main” means any main, pipe, or aqueduct or canal whose primary purpose is to convey raw untreated water from one unit to another unit in the source of supply and pumping plant, and to the water treatment equipment.

“Transmission Main” means any pipes whose primary purpose is to convey treated water from the water treatment equipment or pumping station to the distribution system serving a community and generally provides no service connections with customers.

“Utility”, as used herein and when not otherwise indicated in the context, means any public utility to which the uniform system of accounts is applicable.

(Company Name)

Schedule 120. EXECUTIVE SUMMARY

1. IDENTIFICATION (legal title)

PSC/ORS No.	_____ (leave blank)	Federal ID No.:	57-0739094
Check			
Business Structure & Indicate Date	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation 1981
Name of Company:	Harbor Island Utilities, Inc.		
Doing Business As:	_____		
Street Address:	12-1B Fairfield Road		
City:	Beaufort	State:	SC
		Zip Code:	29907
Mailing Address:	P.O. Box 1028		
City:	Beaufort	State:	SC
		Zip Code:	29901
Telephone No. (Include Area Code):	(843)982-0405		

- (a) State whether any change was made in the name of the respondent during the year. If so, state the changes and the dates when they were made. No
- (b) State whether the respondent is a firm or partnership. If a partnership, give the names of the partners and the proportion of their respective interests. Corporation
- (c) State the kinds of business, other than Water Utility, in which the respondent was engaged at any time during the year. If none, state that fact. Wastewater Utility
- (d) Give the names and office addresses of the Board of Directors, if any, of the respondent at the close of the year, as well as the dates of expiration of their respective terms. If any person abandoned, resigned from, or was removed from a directorship during the year, give full details in a footnote. If the organization was a partnership, give the names of the partners and designate them as such.

Name of Director	Office Address	Term Begins	Term Ends
Robert G. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2009	2/1/2011
Catherine C. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2009	2/1/2011

(Company Name)

Schedule 120. EXECUTIVE SUMMARY (Continued)

(e) Give the titles of all officers of the respondent at the close of the year, the names of persons holding the offices at year end, and the date when each originally assumed the duties of the office. If any person abandoned, resigned from, or was ousted from any office during the year, give full details in a footnote.

Title of Officer	Name of Person Holding Office	Office Address	Date of Entry Entry
President	Robert G. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2000
Vice-President	Catherine C. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2000
Secretary	Catherine C. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2000
Treasurer	Robert G. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2000
Gen. Manager or Supt.	Robert G. Gross	P.O. Box 1028 Beaufort, SC 29901-1028	2/1/2000

(f) Give the date of incorporation of respondent and the name of the state or territory under whose laws the incorporation was organized.

2/11/1981 SC

2. CONTACT (for purpose of this report)

Contact Name:	<u>Robert G. Gross</u>	
Title:	<u>President</u>	Telephone: <u>(843)982-0405</u>
Email Address:	<u>bob@beaufortgroup.net</u>	Fax No.: <u>(843)982-0707</u>

3. MAILING ADDRESS (if different from above)

Mailing Address:	_____		
City:	_____	State:	_____
		Zip Code:	_____

CERTIFICATION

I hereby certify that the enclosed Annual Report was prepared by me or under my supervision, that I have examined it, and that the items herein reported on the basis of my knowledge are correctly shown.

Name: Robert G. GrossTitle: PresidentSignature: *Robert G. Gross*Date: 1/28/10

(Company Name)

Schedule 130. TECHNICAL SUMMARY

GENERAL INFORMATION

Submit a copy of the Company's latest DHEC quality of service letter/report with this annual report.

PHYSICAL DESCRIPTION:

Detailed general description of water system: Water is purchased from Beaufort Jasper Water and Sew Authority

Number of wells in use: 0 Number of tanks in use/size: 1-35,000 gallons
 Raw water reservoir capacity: 0
 Settling basins - number and size: 0
 Equipment - description and make: Pneumatic tank, 1 service pump, 2 high pressure (fire) pumps, air compressor, valving, piping and other appurtenures.

Is fire protection provided by system? Yes
 Number of fire hydrants in use: 37

Kind of Pipe (Cast Iron, Galvanized Iron, Coated Steel, etc.)	Diameter of Pipe (inches)	Beginning of Year (feet)	Removed / Abandoned (feet)	End of Year (feet)
Ductile Iron	10	340		340
PVC	10	4400		4400
PVC	8	1050		1050
PVC	6	7817		7817
PVC	4	155		155
PVC	2	2970		2970

(Company Name)

**Schedule 130. TECHNICAL SUMMARY
(Continued)**

SERVICES AND METERS

Size and Description	Owned by Utility				Owned by Customers end of Year
	Beginning of year	Added	Retired or Abandoned	End of Year	
Meters in use and in stock					
3/4"	405			405	
1"	5			5	
1 1/4"					
1 1/2"	3			3	
1 3/4"					
2"					
other size					
Total Meters in use and in stock					
Meters in stock only - all sizes	12			12	
Services in use (feet)					
Iron pipe					
Lead and copper pipe					
Total services in use (feet)					
Services not in use (feet)					
Iron pipe					
Lead and copper pipe					
Total services not in use (feet)					
Total Services (feet)					

TREATMENT:

Is water purified? Water is purchased from Beaufort Jasper Water and Sewer Authority, we add nothing.

Method used (sedimentation, slow or fast sand filtration, chemical, aeration, or other):

N/A

Dimensions, sizes, and 24-hour capacities of sand filtration beds: N/A

Coagulants used: N/A

Sterilization treatment used: N/A

Is water fluoridated? yes, by BJWSA

Is water softened? N/A

Method used: N/A

(Company Name)

**Schedule 130. TECHNICAL SUMMARY
(Continued)**

SERVICE AREA AND CUSTOMER DATA:

Area and/or subdivisions served by water system: Harbor Island, SC

Total number of residential customers at the end of the fiscal or calendar year:	<u>446</u>
Total number of commercial customers at the end of the fiscal or calendar year:	<u>8</u>
Total number of industrial customers at the end of the fiscal or calendar year:	<u>irrigation 9</u>
Total number of customers at the end of the fiscal or calendar year:	<u>463</u>

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 200. COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	UTILITY PLANT			
2	101 Utility Plant in Service (Schedule 201)	\$ 151,885	\$ 151,885	\$ -
3	102 Utility Plant Leased to Others			
4	103 Property Held for Future Use			
5	104 Utility Plant Purchased or Sold			
6	105 Construction Work in Progress			
7	106 Completed Construction not Classified			
8	Total Utility Plant	151,885	151,885	-
9	ACCUMULATED DEPRECIATION			
10	108.1 Utility Plant-in-Service (Schedule 202)	(94,382)	(88,724)	(5,658)
11	108.2 Utility Plant Leased to Others			
12	108.3 Property Held for Future Use			
13	Total Accumulated Depreciation	(94,382)	(88,724)	(5,658)
14	ACCUMULATED AMORTIZATION			
15	110.1 Utility Plant in Service			
16	110.2 Utility Plant Leased to Others			
17	Total Accumulated Amortization	-	-	-
18	UTILITY PLANT ADJUSTMENTS			
19	114 Utility Plant Acquisition (Schedule 203)			
20	115 Accumulated Amortization of Utility Plant Acquisition (Schedule 203)			
21	116 Other Utility Plant			
22	Total Utility Plant Adjustments	-	-	-
23	TOTAL NET UTILITY PLANT	57,503	63,161	(5,658)
24	OTHER PROPERTY AND INVESTMENTS			
25	OTHER PROPERTY			
26	121 Non-Utility Property	-	-	-
27	122 Accumulated Depreciation and Amortization of Non-Utility Property	-	-	-
28	Total Other Property	-	-	-
29	INVESTMENTS			
30	123 Investments in Associated Companies	-	-	-
31	124 Utility Investments			
32	125 Other Investments			
33	126 Sinking Funds			
34	127 Other Special Funds			
35	Total Investments	-	-	-
36	TOTAL OTHER PROPERTY AND INVESTMENTS	\$ 57,503	\$ 63,161	\$ (5,658)

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 200. COMPARATIVE BALANCE SHEET (Continued)
ASSETS AND OTHER DEBITS

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	CURRENT AND ACCRUED ASSETS			
2	131.1 Cash on Hand	\$ 937	\$ -	\$ 937
3	131.2 Cash in Bank	-	-	-
4	132 Special Deposits (Interest and/or Dividends)			
5	133 Other Special Deposits	108	108	-
6	134 Working Funds			
7	135 Temporary Cash Investments			
8	141 Customer Accounts Receivable	6,702	7,795	(1,093)
9	142 Other Accounts Receivable			
10	143 Accumulated Provision for Uncollectible Accounts-Credit			
11	144 Notes Receivable			
12	145 Accounts Receivable from Associated Companies	25,984	12,021	13,963
13	146 Notes Receivable from Associated Companies			
14	151 Plant Material and Supplies			
15	152 Merchandise			
16	153 Other Material and Supplies	600	600	-
17	161 Stores Expense			
18	162 Prepayments	-	-	-
19	171 Accrued Interest and Dividends Receivable			
20	172 Rents Receivable			
21	173 Accrued Utility Revenues			
22	174 Miscellaneous Current and Accrued Assets			
23	TOTAL CURRENT AND ACCRUED ASSETS	34,331	20,524	13,807
24	DEFERRED DEBITS			
25	181 Unamortized Debt Discount and Expense			
26	182 Extraordinary Property Losses			
27	183 Preliminary Survey and Investigation Charges			
28	184 Clearing Accounts			
29	185 Temporary Facilities			
30	186.1 Deferred Rate Case Expense			
31	186.2 Other Deferred Debits			
32	186.3 Regulatory Assets			
33	187 Research and Development Expenditures			
34	190.1 Accumulated Deferred Federal Income Taxes			
35	190.2 Accumulated Deferred State Income Taxes			
36	190.3 Accumulated Deferred Local Income Taxes			
37	TOTAL DEFERRED DEBITS	-	-	-
38	TOTAL ASSETS AND OTHER DEBITS	\$ 91,834	\$ 83,685	\$ 8,149

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 200. COMPARATIVE BALANCE SHEET (Continued)
EQUITY CAPITAL AND LIABILITIES

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	EQUITY CAPITAL			
2	201 Common Stock Issued	\$ 81,000	\$ 81,000	\$ -
3	202 Common Stock Subscribed			
4	203 Common Stock Liability for Conversion			
5	204 Preferred Stock Issued			
6	205 Preferred Stock Subscribed			
7	206 Preferred Stock Liability for Conversion			
8	207 Premium on Capital Stock			
9	209 Reduction in Par or Stated Value of Capital Stock			
10	210 Gain on Resale or Cancellation of			
11	211 Other Paid-In Capital			
12	212 Discount on Capital Stock			
13	213 Capital Stock Expense			
14	214 Appropriated Retained Earnings (Schedule 204)			
15	215 Unappropriated Retained Earnings (Schedule 204)	47,745	23,739	24,006
16	216 Reacquired Capital Stock	(516,100)	(516,100)	-
17	218 Proprietary Capital (for proprietorships & partnerships only)			
18	TOTAL EQUITY CAPITAL	(387,355)	(411,361)	24,006
19	LONG-TERM DEBT			
20	221 Bonds (Schedule 205)			
21	222 Reacquired Bonds (Schedule 205)			
22	223 Advances from Associated Companies	193,685	193,685	-
23	224 Other Long-Term Debt (Schedule 205)	-		
24	TOTAL LONG-TERM DEBT	193,685	193,685	-
25	CURRENT AND ACCRUED LIABILITIES			
26	231 Accounts Payable	3,295	1,537	1,758
27	232 Notes Payable			
28	233 Accounts Payable to Associated Companies	36,719	54,324	(17,605)
29	234 Notes Payable to Associated Companies			
30	235 Customers' Deposits-Billing			
31	236.11 Accrued Taxes, Utility Operating Income, Taxes Other Than Income			
32	236.12 Accrued Taxes, Utility Operating Income, Income Taxes			
33	236.2 Accrued Taxes, Other Income and Deductions			
34	237.1 Accrued Interest on Long-Term Debt			
35	237.2 Accrued Interest on Other Liabilities			
36	238 Accrued Dividends			
37	239 Matured Long-Term Debt			
38	240 Matured Interest			
39	241 Miscellaneous Current and Accrued Liabilities	567	567	-
40	TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 40,581	\$ 56,428	\$ (15,847)

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 200. COMPARATIVE BALANCE SHEET (Continued)
EQUITY CAPITAL AND LIABILITIES

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	DEFERRED CREDITS			
2	251 Unamortized Premium on Debt	\$ -	\$ -	\$ -
3	252 Advances for Construction			
4	253.1 Other Deferred Credits, Regulatory Liabilities			
5	253.2 Other Deferred Credits, Other Deferred Liabilities			
6	255.1 Accumulated Deferred Investment Tax Credits, Utility Operations			
7	255.2 Accumulated Deferred Investment Tax Credits, Non-Utility Operations			
8	TOTAL DEFERRED CREDITS	-	-	-
9	OPERATING RESERVES			
10	261 Property Insurance Reserve			
11	262 Injuries and Damages Reserve			
12	263 Pensions and Benefits Reserve			
13	265 Miscellaneous Operating Reserve			
14	TOTAL OPERATING RESERVES	-	-	-
15	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)			
16	271 Contributions in Aid of Construction (Schedule 206)	277,876	277,876	0
17	272 Accumulated Amortization of CIAC (Schedule 207)	(32,953)	(32,943)	(10)
18	TOTAL NET CIAC	244,923	244,933	(10)
19	ACCUMULATED DEFERRED INCOME TAXES			
20	281 Accelerated Amortization			
21	282 Liberalized Depreciation			
22	283 Other			
23	TOTAL ACCUMULATED DEFERRED INCOME TAXES	-	-	-
24	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 91,834	\$ 83,685	\$ 8,149

HARBOR ISLAND UTILITIES, INC. (Water Division)
Schedule 201. UTILITY PLANT-IN-SERVICE - Account No. 101

All amts included in accts for utility plant acquired as an operating unit or system shall be stated at a cost incurred by the person who first devoted the property to utility service.

Line No.	Account Number and Title (a)	Previous Year-End Balance (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Current Year-End Balance (f)
1	.1 INTANGIBLE PLANT					
2	301.1 Organization	\$ -	\$ -	\$ -	\$ -	\$ -
3	302.1 Franchises					
4	339.1 Other Plant and Miscellaneous Equipment					
5	Total Intangible Plant	-	-	-	-	-
6	.2 SOURCE OF SUPPLY AND PUMPING PLANT					
7	303.2 Land and Land Rights					
8	304.2 Structures and Improvements					
9	305.2 Collecting and Impounding Reservoirs					
10	306.2 Lake, River and Other Intakes					
11	307.2 Wells and Springs					
12	308.2 Infiltration Galleries and Tunnels					
13	309.2 Supply Mains					
14	310.2 Power Generation Equipment					
15	311.2 Pumping Equipment					
16	339.2 Other Plant and Miscellaneous Equipment					
17	Total Source of Supply and Pumping Plant	-	-	-	-	-
18	.3 WATER TREATMENT EQUIPMENT					
19	303.3 Land and Land Rights					
20	304.3 Structures and Improvements					
21	311.3 Pumping Equipment					
22	320.3 Water Treatment Equipment					
23	339.3 Other Plant and Miscellaneous Equipment					
24	Total Water Treatment Equipment	-	-	-	-	-
25	.4 TRANSMISSION AND DISTRIBUTION PLANT					
26	303.4 Land and Land Rights	5,700	-	-	-	5,700
27	304.4 Structures and Improvements	-	-	-	-	-
28	311.4 Pumping Equipment	37,051	-	-	-	37,051
29	330.4 Distribution Reservoirs and Standpipes	-	-	-	-	-
30	331.4 Transmission and Distribution Mains	41,232	-	-	-	41,232
31	333.4 Services	10,616	-	-	-	10,616
32	334.4 Meters and Meter Installations	28,354	-	-	-	28,354
33	335.4 Hydrants	13,853	-	-	-	13,853
34	336.4 Backflow Prevention Devices	-	-	-	-	-
35	339.4 Other Plant and Miscellaneous Equipment	15,079	-	-	-	15,079
36	Total Transmission and Distribution Plant	151,885	-	-	-	151,885
37	.5 GENERAL PLANT					
38	303.5 Land and Land Rights					
39	304.5 Structures and Improvements					
40	340.5 Office Furniture and Equipment					
41	341.5 Transportation Equipment					
42	342.5 Stores Equipment					
43	343.5 Tools, Shop and Garage Equipment					
44	344.5 Laboratory Equipment					
45	345.5 Power Operated Equipment					
46	346.5 Communication Equipment					
47	347.5 Miscellaneous Equipment					
48	348.5 Other Tangible Plant					
49	Total General Plant	-	-	-	-	-
50	101 TOTAL UTILITY PLANT-IN-SERVICE	\$ 151,885	\$ -	\$ -	\$ -	\$ 151,885

HARBOR ISLAND UTILITIES, INC. (Water Division)
Schedule 202. ACCUMULATED DEPRECIATION OF UTILITY PLANT-IN-SERVICE
Account No. 108.1

Report below an analysis of the changes in accumulated depreciation during the year for each plant category.

Line No.	Depreciated Property Item (a)	Previous Year-End Balance (b)	Credits		Debits		Current Year-End Balance (g)
			Depreciation Expense (c)	PSC Audit Adjustment (d)	Plant Retired (e)	Cost of Removal and Other Debits (f)	
1	Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Water Rights						
3	Reservoirs						
4	Tanks and Standpipes						
5	Wells						
6	Filter Plant						
7	Pumping Equipment	21,202	2,191	-			23,393
8	Purification Equipment						
9	Mains	23,780	844	-	-	-	24,624
10	Services	5,268	265	-	-	-	5,533
11	Hydrants	7,201	438	-	-	-	7,639
12	Meters	17,150	1,637	-	-	-	18,787
13	Miscellaneous Equipment	14,123	283	-	-	-	14,406
14	Shop Equipment						
15	General Equipment						
16	General Office Equipment						
17	Vehicles and Other Work Equipment						
18	TOTAL ACCUMULATED DEPRECIATION OF UTILITY PLANT-IN-SERVICE	\$ 88,724	\$ 5,658	\$ -	\$ -	\$ -	\$ 94,382

HARBOR ISLAND UTILITIES, INC. (Water Division)
Schedule 205. LONG-TERM DEBT - Account Nos. 221, 222, and 224
(Excluding Advances from Associated Companies)

Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the Company and group entries according to accounts and show the total for each account.

Line No.	Class and Series of Obligations (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (e)	Interest For Year	
						% Rate (f)	Amount (g)
1	None						\$ -
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31	TOTAL LONG-TERM DEBT						\$ -

HARBOR ISLAND UTILITIES, INC. (Water Division)
Schedule 206. CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)
Account No. 271

Line No.	Description (a)	Amount (b)
1	Beginning of Year Balance	\$ 277,876
2	Credits Added During the Year:	
3	Contributions Received from Capacity, Main Extensions and Customer Connection Charges	-
4	Contributions Received from Developer or Contract Agreements in cash or property	
5	Total Credits	-
6	Less: Debits Charged During the Year	
7	TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 277,876

Schedule 207. ACCUMULATED AMORTIZATION OF CIAC
Account No. 272

Line No.	Description (a)	Amount (b)
8	Beginning of Year Balance	\$ (32,943)
9	Debits Charged During the Year: Accruals Charged to Account 272	
10	Other Debits Charged During the Year (specify):	
11		
12		
13		
14	Total Debits	
15	Credits Added During the Year (specify):	
16	Current year depreciation on Contributions in Aid of Construction	(10)
17		
18		
19	Total Credits	
20	TOTAL ACCUMULATED AMORTIZATION OF CIAC	(32,953)
21	TOTAL NET CONTRIBUTIONS IN AID OF CONSTRUCTION	\$ 244,923

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 300. COMPARATIVE INCOME STATEMENT
REVENUES AND EXPENSES

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	UTILITY OPERATING INCOME			
2	400 Total Utility Operating Revenues (Schedule 301)	\$ 203,711	\$ 221,924	\$ (18,213)
3	UTILITY OPERATING EXPENSES			
4	401 Operating Expenses (Schedule 302)	161,098	179,401	(18,303)
5	403 Depreciation Expenses (Schedule 303)	3,647	3,647	-
6	406 Amortization of Utility Plant Acquisition Adjustments			
7	407.1 Amortization of Limited Term Plant			
8	407.2 Amortization of Property Losses			
9	407.3 Amortization of Other Utility Plant			
10	407.4 Amortization of Regulatory Assets			
11	407.5 Amortization of Regulatory Liabilities			
12	408.10 Utility Regulatory Assessment Fee	4,386	4,787	(401)
13	408.11 Property Taxes			
14	408.12 Payroll Taxes			
15	408.13 Other Taxes and Licenses	1,162	1,456	(294)
16	409.10 Federal Income Taxes, Utility Operating Income			
17	409.11 State Income Taxes, Utility Operating Income			
18	409.12 Local Income Taxes, Utility Operating Income			
19	410.10 Deferred Federal Income Taxes			
20	410.11 Deferred State Income Taxes			
21	410.12 Deferred Local Income Taxes			
22	411.10 Provision for Deferred Income Taxes - Credit, Utility Operating Income			
23	412.10 Investment Tax Credits Deferred to Future Periods, Utility Operations			
24	412.11 Investment Tax Credits, Restored to Operating income, Utility Operations			
25	Total Utility Operating Expenses	170,293	189,291	(18,998)
26	TOTAL NET UTILITY OPERATING INCOME (LOSS)	33,418	32,633	785
27	OTHER OPERATING INCOME (LOSS)			
28	413 Income from Utility Plant Leased to Others			
29	414 Gains (Losses) from Disposition of Utility Property			
30	Total Other Operating Income (Loss)	-	-	-
31	OTHER INCOME AND DEDUCTIONS			
32	415 Revenues from Merchandising, Jobbing and Contract Work			
33	416 Costs and Expenses of Merchandising, Jobbing and Contract Work			
34	419 Interest and Dividend Income			
35	420 Allowance for Funds Used During Construction (AFUDC)			
36	421 Non-Utility Income			
37	426 Miscellaneous Non-Utility Expenses			
38	TOTAL OTHER INCOME AND DEDUCTIONS	-	-	-

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 300. COMPARATIVE INCOME STATEMENT (Continued)
REVENUES AND EXPENSES

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)
1	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
2	408.20 Taxes Other Than Income, Other Income and Deductions	\$ -	\$ -	\$ -
3	409.20 Income Taxes, Other Income and Deductions			
4	410.20 Provision for Deferred Income Taxes, Other Income and Deductions			
5	411.20 Provisions for Deferred Income Taxes, Credit, Other Income and Deductions			
6	412.20 Investment Tax Credits, Net, Non-Utility Operations			
7	412.30 Investment Tax Credits Restored to Non-Operating Income, Utility Operations			
8	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUC.	-	-	-
9	INTEREST EXPENSE			
10	427.1 Interest on Debt to Associated Companies	9,412	11,868	(2,456)
11	427.2 Interest on Short-Term Debt			
12	427.3 Interest on Long-Term Debt	-	-	-
13	427.4 Interest on Customer Deposits			
14	427.5 Interest - Other			
15	428 Amortization of Debt Discount and Expense			
16	429 Amortization of Premium on Debt			
17	TOTAL INTEREST EXPENSE	9,412	11,868	(2,456)
18	EXTRAORDINARY ITEMS			
19	433 Extraordinary Income			
20	434 Extraordinary Deductions			
21	409.30 Income Taxes, Extraordinary Items			
22	TOTAL EXTRAORDINARY ITEMS	-		
23	NET INCOME (LOSS)	\$ 24,006	\$ 20,765	\$ 3,241

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 301. OPERATING REVENUES
Account No. 400

Line No.	Account Number and Title (a)	Current Year-End Balance (b)	Previous Year-End Balance (c)	Increase/ (Decrease) (d)	Average Number of Customers (e)	Gallons of Water Sold (000)omited (f)
1	WATER SALES REVENUE					
2	460 Unmetered Water Revenue					
3	460.1 Residential Customers	\$ -	\$ -	\$ -	-	-
4	460.2 Commercial Customers					
5	460.3 Industrial Customers					
6	460.4 Public Authorities					
7	460.5 Multiple Family Dwellings					
8	Total Unmetered Water Revenue	-	-	-	-	-
9	461 Metered Water Revenue					
10	461.1 Residential Customers	202,794	221,122	(18,328)	467	27,806
11	461.2 Commercial Customers					
12	461.3 Industrial Customers					
13	461.4 Public Authorities					
14	461.5 Multiple Family Dwellings					
15	Total Metered Water Revenue	202,794	221,122	(18,328)	467	27,806
16	462 Fire Protection Revenue					
17	462.1 Public Fire Protection					
18	462.2 Private Fire Protection					
19	464 Other Sales to Public Authorities					
20	466 Sales for Resale					
21	467 Interdepartmental Sales					
22	TOTAL WATER SALES REVENUES	202,794	221,122	(18,328)	467	27,806
23	OTHER WATER REVENUES					
24	469 Guaranteed Revenues					
25	470 Forfeited Discounts / Late fees	917	727	190		
26	471 Miscellaneous Service Revenues	-	75	(75)		
27	472 Rents from Water Property					
28	473 Interdepartmental Rents					
29	474 Other Water Revenues	-	-	-		
30	TOTAL OTHER WATER REVENUES	917	802	115		
31	400 TOTAL OPERATING REVENUES	\$ 203,711	\$ 221,924	\$ (18,213)		

HARBOR ISLAND UTILITIES, INC. - (Water Division)**Schedule 302. OPERATING EXPENSES****OPERATION AND MAINTENANCE****Account No. 401**

Line No.	Account Number and Title (a)	Current Year- End Balance (b)	Previous Year- End Balance (c)	Increase/ (Decrease) (d)
1	SOURCE OF SUPPLY EXPENSES		XXX	XXX
2	601 Salaries and Wages - Employees	\$ -	\$ -	\$ -
3	610 Purchased Water	67,058	82,251	(15,193)
4	615 Purchased Power			
5	616 Fuel for Power Production			
6	618 Chemicals			
7	620 Materials and Supplies			
8	631 Contractual Services - Engineering			
9	632 Contractual Services - Accounting			
10	633 Contractual Services - Legal			
11	634 Contractual Services - Management Fees			
12	635 Contractual Services - Testing			
13	636 Contractual Services - Other			
14	641 Rental of Building/Real Property			
15	642 Rental of Equipment			
16	650 Transportation Expenses			
17	658 Insurance - Workman's Compensation			
18	668 Water Resource Conservation Expense			
19	675 Miscellaneous Expenses			
20	TOTAL SOURCE OF SUPPLY EXPENSES	\$ 67,058	\$ 82,251	\$ (15,193)
21	WATER TREATMENT EXPENSES	XXX	XXX	XXX
22	601 Salaries and Wages - Employees	\$ -	\$ -	\$ -
23	615 Purchased Power			
24	616 Fuel for Power Production			
25	618 Chemicals			
26	620 Materials and Supplies			
27	631 Contractual Services - Engineering			
28	632 Contractual Services - Accounting			
29	633 Contractual Services - Legal			
30	634 Contractual Services - Management Fees			
31	635 Contractual Services - Testing			
32	636 Contractual Services - Other			
33	641 Rental of Building/Real Property			
34	642 Rental of Equipment			
35	650 Transportation Expenses			
36	658 Insurance - Workman's Compensation			
37	675 Miscellaneous Expenses			
38	TOTAL WATER TREATMENT EXPENSES	\$ -	\$ -	\$ -

HARBOR ISLAND UTILITIES, INC. - (Water Division)
Schedule 302. OPERATING EXPENSES (Continued)
OPERATION AND MAINTENANCE
Account No. 401

Line No.	Account Number and Title (a)	Current Year- End Balance (b)	Previous Year- End Balance (c)	Increase/ (Decrease) (d)
1	TRANSMISSION AND DISTRIBUTION EXPENSES			0
2	601 Salaries and Wages - Employees			
3	615 Purchased Power	\$ 8,570	\$ 7,239	\$ 1,331
4	616 Fuel for Power Production			
5	618 Chemicals			
6	620 Materials and Supplies	1,565	1,170	395
7	631 Contractual Services - Engineering			
8	632 Contractual Services - Accounting			
9	633 Contractual Services - Legal			
10	634 Contractual Services - Management Fees	12,659	12,659	-
11	635 Contractual Services - Testing	550	560	(10)
12	636 Contractual Services - Maintenance	42,491	39,572	2,919
13	641 Rental of Building/Real Property			
14	642 Rental of Equipment			
15	650 Transportation Expenses			
16	658 Insurance - Workman's Compensation			
17	675 Miscellaneous Expenses			
18	TOTAL TRANSMISSION AND DISTRIBUTION	65,835	61,200	4,635
19	TOTAL OPERATION AND MAINTENANCE EXPENSES	\$ 132,893	\$ 143,451	\$ (10,558)