

Table 1 W

**WATER INDUSTRY
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Net Utility Plant	\$372,813	\$351,242	\$334,016	\$319,666	\$309,554
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)	302	303	303	303	303
3 Other Investments	8,267	11,420	12,243	25,709	25,760
4 Sinking Funds and Other Special Funds					47
5 Total Other Property and Investments	8,569	11,723	12,546	26,012	26,109
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	2,372	5,357	5,696	4,112	10,129
7 Notes and Accounts Receivables - Net	12,406	11,960	15,687	10,977	10,848
8 Receivables from Associated Companies	110	64	113	5,230	5,440
9 Materials and Supplies	2,441	2,323	2,449	2,186	2,333
10 Prepayments	18,014	19,453	19,090	17,091	14,242
11 Accrued Utility Revenue	8,309	9,567	8,192	4,754	1,739
12 Misc Current and Accrued Assets	143	190	249	304	277
13 Total Current and Accrued Assets	43,794	48,913	51,477	44,653	45,009
DEFERRED DEBITS					
14 Unamort. Debt Expense	5,173	5,481	5,844	5,591	5,889
15 Other Deferred Debits	32,528	28,910	26,116	22,673	21,740
16 Accumulated Deferred Income Taxes	18,305	18,171	14,427	13,381	13,008
17 Total Deferred Debits	56,005	52,562	46,388	41,645	40,637
18 Total Assets and Other Debits	\$481,182	\$464,440	\$444,427	\$431,977	\$421,310
PROPRIETARY CAPITAL					
19 Common Stock Issued	\$29,375	\$29,375	\$29,375	\$29,375	\$29,375
20 Preferred Stock Issued	2,125	2,125	2,125	7,988	8,500
21 Other Paid-in Capital	46,576	42,367	36,201	28,420	27,593
22 Retained Earnings	117,971	110,725	114,000	127,372	124,065
23 Reacquired Capital Stock					
24 Total Proprietary Capital	196,047	184,592	181,701	193,153	189,533
LONG-TERM DEBT					
25 Long-Term Debt	95,100	100,948	104,331	101,590	102,188
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable	43,636	33,813	31,967	29,961	25,257
27 Accounts Payable	5,312	4,909	4,526	3,316	3,490
28 Payables to Associated Companies	15,379	10,156	4,276	4,738	4,572
29 Customer Deposits	193	272	234	210	403
30 Taxes Accrued	(653)	3,999	3,117	740	4,517
31 Interest Accrued	2,201	2,376	2,178	2,519	2,423
32 Matured Long-Term Debt	14				
33 Misc Current and Accrued Liabilities	6,017	5,376	5,010	3,411	5,292
34 Total Current and Accrued Liabilities	72,099	60,900	51,307	44,895	45,955
DEFERRED CREDITS					
35 Customer Advances for Construction	7,305	8,279	11,903	11,159	11,889
36 Other Deferred Credits	26,433	34,664	33,362	23,914	18,242
37 Accumulated Deferred Investment Tax Credit:	2,003	2,057	2,111	2,166	2,220
38 Accumulated Deferred Income Taxes	76,188	66,479	58,981	54,512	50,739
39 Total Deferred Credits	111,930	111,480	106,358	91,751	83,090
OPERATING RESERVES					
40 Operating Reserves	6,006	6,520	729	586	544
41 Total Liabilities and Other Credits	\$481,182	\$464,440	\$444,427	\$431,977	\$421,310

WATER INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
UTILITY OPERATING INCOME						
Operating Revenues	\$135,930	\$135,761	\$136,408	\$133,801	\$133,661	1
Operating Expense:						
Operation Expense	49,758	50,619	48,426	47,278	48,373	2
Maintenance Expense	7,274	8,024	5,769	6,353	7,110	3
Depreciation and Amortization Expense	10,629	10,047	9,463	9,254	8,919	4
Taxes Other than Income Taxes	38,848	38,067	38,295	39,267	41,691	5
Income Taxes	7,970	7,724	9,597	8,250	6,018	6
Total Operating Expenses	114,479	114,481	111,550	110,402	112,111	7
Net Operating Revenues	21,452	21,280	24,858	23,399	21,550	8
Other Utility Operating Income						9
Total Utility Operating Income	21,452	21,280	24,858	23,399	21,550	10
OTHER INCOME						
Interest and Dividend Income	940	1,021	994	1,012	755	11
Allowance for Funds Used During Constructio	1,832	1,108	925	603	680	12
Miscellaneous Nonoperating Income	881	(375)	226	197	58	13
Other Income	247	185	72	51	64	14
Total Other Income	3,901	1,938	2,218	1,863		15
Other Income Deductions	228	394	141	720	158	16
Taxes-Other Income and Deductions	479	36	226	213	251	17
Income Available	24,646	22,788	26,709	24,329	21,141	18
INTEREST CHARGES						
Interest on Long-Term Debt	7,087	7,478	7,656	7,789	7,796	19
Interest on Debt to Associated Co.	2,447	2,542	2,506	2,392	2,200	20
Other Interest Expense	1,987	1,816	2,197	2,311	1,626	21
Total Interest Charges	11,520	11,836	12,358	12,492	11,622	22
Income Before Extraordinary Items	13,126	10,952	14,351	11,838	9,519	23
Extraordinary Items						24
Net Income	\$13,126	\$10,952	\$14,351	\$11,838	\$9,519	25
RETAINED EARNINGS						
Unappropriated (BOP)	\$110,725	\$114,000	\$127,372	\$124,065	\$120,459	26
Balance Transferred from Income	13,126	10,952	14,351	11,805	11,076	27
Appropriated						28
Dividends Declared-Preferred Stock	127	127	660	708	757	29
Dividends Declared-Common Stock	8,432	8,482	26,205	7,220	6,714	30
Adjustments to Retained Earnings	2,680	(5,618)	(857)	(571)	1	31
Net Change	7,246	(3,275)	(13,371)	3,306	3,607	32
Unappropriated (EOP)	117,971	110,725	114,000	127,372	124,065	33
Appropriated (EOP)						34
Total Retained Earnings	\$117,971	\$110,725	\$114,000	\$127,372	\$124,065	35

Table 3W

**WATER INDUSTRY
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,
(\$000S)**

	2003	2002	2001	2000	1999
Cash Flows From Operating Activities					
1 Net Income	\$13,126	\$10,952	\$14,351	\$11,805	\$11,076
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	11,207	9,442	10,365	10,045	9,867
3 Deferred Taxes & ITCs	12,135	2,377	3,444	3,098	1,144
4 Receivables and Inventory	(529)	2,053	(2,612)	272	2,293
5 Payables and Accrued Expenses	(833)	4,104	(625)	(3,038)	(2,213)
6 Capitalized AFUDC - Equity Funds	(1,736)	(1,062)	(869)	(427)	(694)
7 Equity In Loss (Earnings) Of Affiliates				8	(70)
8 Other Adjustments	(5,195)	(4,283)	4,901	(4,027)	1,195
9	(3,518)	3,901	2,855	2,710	1,350
10	(6,495)	(429)	(620)	(1,401)	(765)
11 Net Cash From Operating Activities	<u>18,162</u>	<u>27,054</u>	<u>31,191</u>	<u>19,044</u>	<u>23,184</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(30,415)	(25,755)	(22,725)	(18,626)	(18,775)
13 Acquisition Of Other Non-Current Assets	(148)	(150)	(55)	(468)	(71)
14 Investments In & Advances to Affiliates.	6	(89)	(12)	19	(53)
15 Contributions & Advances from Affiliates					(2)
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies			12,417		
18 Other Debt & Equity Investments	3,148	943	1,054	83	(6,369)
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities				(14)	2
21			4		
22				0	
23 Net Cash From Investing Activities	<u>(27,408)</u>	<u>(25,051)</u>	<u>(9,318)</u>	<u>(19,007)</u>	<u>(25,267)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	891	(5,801)	8,961	1,735	(539)
25 Common Stock	1,000	4,056	2,453	827	1,253
26 Preferred Stock			(5,863)	(513)	(1,324)
27 Short-Term Debt	8,900	7,741	1,898	2,481	2,500
28 Dividends Paid	(8,210)	(8,609)	(26,865)	(7,928)	(6,659)
29 Other Cash Flows - Financing Activities	3,689	269	(874)	(2,656)	2,553
30	(8)				191
31					
32 Net Cash From Financing Activities	<u>6,262</u>	<u>(2,343)</u>	<u>(20,289)</u>	<u>(6,054)</u>	<u>(2,025)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(2,985)	(339)	1,584	(6,017)	(4,108)
34 Cash & Cash Equivalents At Beginning Of Ye	5,357	5,696	4,112	10,129	14,237
35 Cash & Cash Equivalents At End Of Year	\$2,372	\$5,357	\$5,696	\$4,112	\$10,129

Table 4 W

**WATER INDUSTRY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
REVENUES (\$000s)						
Sales to General Customers	\$117,110	\$114,846	\$121,298	\$117,088	\$119,772	1
Sales to Other Water Companies	5,033	4,946	2,996	211	307	2
Other Sales of Water	11,139	11,166	11,258	12,617	12,560	3
Total Revenues from Sales of Water	133,281	130,958	135,552	129,916	132,639	4
Other Water Operating Revenues	2,649	4,803	856	3,885	1,022	5
Total Water Operating Revenues	\$135,930	\$135,761	\$136,408	\$133,801	\$133,661	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	30,011,403	32,022,476	33,531,488	31,078,953	33,807,711	8
Sales to Other Water Companies	580,380	133,369	133,066	147,050	177,463	9
Other Sales of Water	284,244	291,222	338,820	313,291	317,178	10
Total Sales of Water	30,876,027	32,447,067	34,003,374	31,539,294	34,302,352	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	234,750	234,605	233,499	233,595	232,003	13
Sales to Other Water Companies	343	4	4	7	5	14
Other Sales of Water	3,146	2,794	3,020	2,910	2,907	15
Total Customers	238,239	237,403	236,523	236,512	234,915	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$498.87	\$489.53	\$519.48	\$501.24	\$516.25	18
Average Consumption per Customer (T.Gal)	127.84	136.50	143.60	133.05	145.72	19
Average Revenue per T Gallons Sold	\$3.90	\$3.59	\$3.62	\$3.77	\$3.54	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer						21
Average Consumption per Customer (T.Gal)						22
Average Revenue per T Gallons Sold						23
OPERATION AND MAINTENANCE EXPENSES (\$000s)						
Source of Supply	\$6,838	\$7,477	\$8,008	\$7,287	\$6,740	24
Power and Pumping	9,242	9,091	9,484	8,938	8,336	25
Purification	4,401	4,170	4,389	3,857	4,060	26
Transmission and Distribution	9,355	9,197	9,302	9,649	9,584	27
Customer Accounting and Collecting	5,968	6,769	6,718	7,190	7,236	28
Administrative and General	16,543	21,937	16,295	16,709	19,528	29
Total O & M Expense	\$52,346	\$58,642	\$54,195	\$53,631	\$55,483	30

Table 5 W

**WATER INDUSTRY
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2003	2002	2001	2000	1999
1 Revenues (\$000s)	\$135,930	\$135,761	\$136,408	\$133,801	\$133,661
2 Sales (Thousands of Gallons)	30,876,027	32,447,067	34,003,374	31,539,294	34,302,352
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$13,532	\$13,235	\$14,619	\$12,780	\$12,142
4 Wages and Benefits	23,375	23,340	21,810	22,678	24,798
5 Other Operation and Maintenance Expense	20,697	22,592	18,272	18,173	18,543
6 Depreciation and Amortization Expense	10,607	10,025	9,598	9,254	8,919
7 Income Taxes-Operating	7,970	7,724	9,597	8,250	6,018
8 Other Taxes-Operating	38,848	38,067	38,295	39,267	41,691
9 Capital Costs	20,902	20,778	24,216	23,399	21,550
10 Total	\$135,930	\$135,761	\$136,408	\$133,801	\$133,661
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	10.0	9.7	10.7	9.6	9.1
12 Wages and Benefits	17.2	17.2	16.0	16.9	18.6
13 Other Operation and Maintenance Expense	15.2	16.6	13.4	13.6	13.9
14 Depreciation and Amortization Expense	7.8	7.4	7.0	6.9	6.7
15 Income Taxes-Operating	5.9	5.7	7.0	6.2	4.5
16 Other Taxes-Operating	28.6	28.0	28.1	29.3	31.2
17 Capital Costs	15.4	15.3	17.8	17.5	16.1
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.44	0.41	0.43	0.41	0.35
20 Wages and Benefits	0.76	0.72	0.64	0.72	0.72
21 Other Operation and Maintenance Expense	0.67	0.70	0.54	0.58	0.54
22 Depreciation and Amortization Expense	0.34	0.31	0.28	0.29	0.26
23 Income Taxes-Operating	0.26	0.24	0.28	0.26	0.18
24 Other Taxes-Operating	1.26	1.17	1.13	1.25	1.22
25 Capital Costs	0.68	0.64	0.71	0.74	0.63
26 Total	4.40	4.18	4.01	4.24	3.90

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water	6,067,605	6,368,910	6,802,987	6,251,920	5,901,494
Fuel for Pumping	6,111,384	5,435,301	6,225,375	5,356,089	4,984,840
Chemicals	1,352,884	1,430,777	1,590,723	1,171,729	1,255,274

Total PW, Fuel and Chemicals 13,531,874 13,234,988 14,619,085 12,779,738 12,141,608

Total - Ultimate Customers 13,531,874 13,234,988 14,619,085 12,779,738 12,141,608

Wages and Benefits

Salaries	16,594,700	16,309,996	16,279,298	17,762,902	20,035,832
Pensions and Benefits	6,780,584	7,030,410	5,531,007	4,915,177	4,762,283
Total Wages and Benefits	23,375,284	23,340,406	21,810,305	22,678,080	24,798,115

Other Expenses

Total O&M Expenses	57,032,320	58,642,320	54,195,162	53,630,937	55,482,925
-Total PW, Fuel and Chemicals	13,531,874	13,234,988	14,619,085	12,779,738	12,141,608
-Wages and Benefits	23,375,284	23,340,406	21,810,305	22,678,080	24,798,115
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	20,125,162	22,066,926	17,765,772	18,173,120	18,543,202

Depreciation and Amortization

Depreciation Exp	10,628,641	10,046,759	9,462,791	9,253,929	8,919,345
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	10,628,641	10,046,759	9,462,791	9,253,929	8,919,345

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	13,531,874	13,234,988	14,619,085	12,779,738	12,141,608
divided by Total Gallons	30,876,027	32,447,067	34,003,374	31,539,294	34,302,352
Cost per KWH	0.0004	0.0004	0.0004	0.0004	0.0004
times Sales for Resale MWHs					
Sales for Resale Cost					

Table 6 W

**WATER INDUSTRY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2003	2002	2001	2000	1999	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$240	\$240	\$237	\$237	\$240	1
Source of Supply	32,876	26,410	26,032	25,789	24,733	2
Pumping	44,856	43,569	42,938	41,372	40,027	3
Water Treatment	39,713	28,819	23,174	19,883	18,828	4
Transmission and Distribution	340,944	328,491	318,608	305,258	291,146	5
General	34,704	34,041	31,741	31,194	30,549	6
Purchased or Sold		51	51	51	51	7
Total Plant in Service	493,333	461,621	442,779	423,783	405,574	8
Plant Leased To Others						9
Construction Work In Progress	13,082	16,976	12,298	9,240	11,028	10
Plant Held For Future Use	8,861	9,004	9,004	9,004	9,004	11
Plant Acquisition Adjustments	1,887	1,090	(45)	3	1,232	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,282)	(1,282)	(102)	(102)	(1,282)	13
Total Plant	515,881	487,409	463,933	441,928	425,555	14
Accum. Prov. - Depr. & Amort.	143,068	136,167	129,917	122,262	116,002	15
Net Plant	\$372,813	\$351,242	\$334,016	\$319,666	\$309,553	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.61	0.80	1.00	0.99	0.98	17
Total Capitalization (\$000s)	\$334,783	\$319,353	\$317,999	\$324,704	\$316,978	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	28.4%	31.6%	32.8%	31.3%	32.2%	19
Preferred Stock	0.6%	0.7%	0.7%	2.5%	2.7%	20
Common Stock & Retained Earnings	57.9%	57.1%	56.5%	57.0%	57.1%	21
Short-Term Debt	13.0%	10.6%	10.1%	9.2%	8.0%	22
Pretax Coverage of Interest Expense	2.8	2.6	2.9	2.6	2.5	23
Com. Stock Dividends as a % of Earnings	65.5%	79.8%	195.9%	64.9%	65.1%	24
Return on Common Equity	6.9%	5.9%	7.5%	6.1%	5.9%	25
Internal Cash Generated as a % of Cash Outflows for Construction	97.2%	192.2%	249.1%	102.2%	123.5%	26
CWIP as a % of Plant	2.5%	3.5%	2.7%	2.1%	2.6%	27
Number of Employees	305	330	333	339	371	28

Current Assets	43,794,213	48,912,934	51,477,102	44,653,339	45,009,121
Current Liabilities	72,098,963	60,900,081	51,306,840	44,895,415	45,954,990
Total Capitalization	334,783,069	319,353,250	317,998,953	324,704,043	316,977,976
Long-Term Debt	95,100,000	100,948,134	104,331,200	101,590,088	102,187,810
Preferred Stock	2,125,000	2,125,000	2,125,000	7,987,500	8,500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	193,921,664	182,467,117	179,576,133	185,165,921	181,032,674
Short-Term Debt	43,636,405	33,812,999	31,966,620	29,960,534	25,257,492
Pretax Income	32,799,539	30,862,095	36,388,576	32,579,131	28,715,821
Interest Expense	11,519,982	11,836,346	12,357,947	12,491,772	11,621,977
Dividends Paid	8,509,020	8,558,268	26,814,717	7,220,038	6,713,911
Net Income (Excl. Preferred Stock Dividends)	12,998,274	10,724,777	13,690,856	11,129,212	10,319,205
Internal Cash	18,212,859	27,110,086	31,222,769	19,044,310	23,183,603
Cash Outflows for Construction	(18,737,094)	(14,102,961)	(12,535,509)	18,625,980	18,774,676
CWIP	13,081,872	16,828,216	12,298,090	9,240,164	11,027,934
Total Plant	515,881,349	487,210,396	463,920,793	441,927,829	425,555,327
Number of Employees	305	330	333	339	371
Salaries and Wages					

**HERITAGE HILLS WATER COMPANY
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$4,451,341	\$4,262,284	\$4,321,956	\$4,165,051	\$4,226,906	\$4,162,932
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)						
3 Other Investments						
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments						
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	74,359	47,353	82,381	129,352	118,305	76,332
7 Notes and Accounts Receivables - Net	88,700	85,512	89,503	94,393	85,740	81,134
8 Receivables from Associated Companies						
23 Materials and Supplies						2,397
10 Prepayments	26,077	14,323				
11 Accrued Utility Revenue						
12 Misc Current and Accrued Assets						
13 Total Current and Accrued Assets	189,136	147,188	171,884	223,745	204,045	159,863
DEFERRED DEBITS						
14 Unamort. Debt Expense						
15 Other Deferred Debits	96,159	29,324	27,537	70,007	113,109	156,222
16 Accumulated Deferred Income Taxes						
17 Total Deferred Debits	96,159	29,324	27,537	70,007	113,109	156,222
18 Total Assets and Other Debits	\$4,736,636	\$4,438,796	\$4,521,377	\$4,458,803	\$4,544,060	\$4,479,017
PROPRIETARY CAPITAL						
19 Common Stock Issued	50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued						
21 Other Paid-in Capital						
22 Retained Earnings	(899,030)	(911,754)	(887,461)	(863,897)	(786,541)	(752,687)
23 Reacquired Capital Stock						
24 Total Proprietary Capital	(849,030)	(861,754)	(837,461)	(813,897)	(736,541)	(702,687)
LONG-TERM DEBT						
25 Long-Term Debt		2,108,134	2,181,200	2,270,088	2,327,810	2,380,945
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable	2,111,284	76,024	70,851	63,103	57,492	52,379
27 Accounts Payable	418,076	386,302	369,795	449,410	418,275	403,274
28 Payables to Associated Companies	3,006,650	2,679,916	2,688,747	2,446,979	2,421,977	2,294,252
29 Customer Deposits						
30 Taxes Accrued	(1,717)	(997)	(2,926)	(8,051)	5,090	3,118
31 Interest Accrued						
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	51,373	51,171	51,171	51,171	49,958	47,736
34 Total Current and Accrued Liabilities	5,585,666	3,192,416	3,177,638	3,002,612	2,952,791	2,800,759
DEFERRED CREDITS						
35 Customer Advances for Construction						
36 Other Deferred Credits						
37 Accumulated Deferred Investment Tax Credits						
38 Accumulated Deferred Income Taxes						
39 Total Deferred Credits						
OPERATING RESERVES						
40 Operating Reserves						
41 Total Liabilities and Other Credits	\$4,736,636	\$4,438,796	\$4,521,377	\$4,458,803	\$4,544,060	\$4,479,017

HERITAGE HILLS WATER COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$1,056,641	\$1,054,616	\$1,047,112	\$1,031,038	\$1,012,331	\$896,822	1
Operating Expense:							
Operation Expense	275,905	260,922	255,365	236,691	225,053	219,523	2
Maintenance Expense	45,578	67,816	49,555	47,461	17,873	12,974	3
Depreciation and Amortization Expense	109,152	106,948	104,497	102,516	100,529	97,383	4
Taxes Other than Income Taxes	297,763	282,960	248,048	254,215	254,658	237,540	5
Income Taxes							6
Total Operating Expenses	728,398	718,646	657,465	640,883	598,113	567,420	7
Net Operating Revenues	328,243	335,970	389,647	390,155	414,218	329,402	8
Other Utility Operating Income							9
Total Utility Operating Income	328,243	335,970	389,647	390,155	414,218	329,402	10
OTHER INCOME							
Interest and Dividend Income		176	2,757	1,163			11
Allowance for Funds Used During Construction							12
Miscellaneous Nonoperating Income							13
Other Income							14
Total Other Income		176	2,757	1,163			15
Other Income Deductions		27,537	42,470	43,102	43,113	15,574	16
Taxes-Other Income and Deductions							17
Income Available	328,243	308,609	349,934	348,216	371,105	313,828	18
INTEREST CHARGES							
Interest on Long-Term Debt	203,833	210,402	198,246	224,178	228,297	232,643	19
Interest on Debt to Associated Co.	111,686	122,500	175,252	201,394	176,662	170,930	20
Other Interest Expense							21
Total Interest Charges	315,519	332,902	373,498	425,572	404,959	403,573	22
Income Before Extraordinary Items	12,724	(24,293)	(23,564)	(77,356)	(33,854)	(89,745)	23
Extraordinary Items							24
Net Income	\$12,724	(\$24,293)	(\$23,564)	(\$77,356)	(\$33,854)	(\$89,745)	25
RETAINED EARNINGS							
Unappropriated (Beginning)	(\$911,754)	(\$887,461)	(\$863,897)	(\$786,541)	(\$752,687)	(\$662,942)	26
Balance Transferred from Income	12,724	(24,293)	(23,564)	(77,356)	(33,854)	(89,745)	27
Appropriated							28
Dividends Declared-Preferred Stock							29
Dividends Declared-Common Stock							30
Adjustments to Retained Earnings							31
Net Change	12,724	(24,293)	(23,564)	(77,356)	(33,854)	(89,745)	32
Unappropriated (EOP)	(899,030)	(911,754)	(887,461)	(863,897)	(786,541)	(752,687)	33
Appropriated (EOP)							34
Total Retained Earnings	(\$899,030)	(\$911,754)	(\$887,461)	(\$863,897)	(\$786,541)	(\$752,687)	35

HERITAGE HILLS WATER COMPANY
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$12,724	(\$24,293)	(\$23,564)	(\$77,356)	(\$33,854)	(\$89,745)
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	109,152	134,485	146,967	145,618	143,676	100,628
3 Deferred Taxes & ITCs	3,490					
4 Receivables and Inventory		3,991	4,890	(8,665)	(2,243)	(8,847)
5 Payables and Accrued Expenses	(6,678)	(15,652)	25,202	(10,498)	(761)	(63,472)
6 Capitalized AFUDC - Equity Funds	16,870					
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments	14,184	32,500	(98,104)	28,492	17,734	170,582
9	(78,387)	(29,324)		1,213	2,222	6,993
10		(14,323)		12		
11 Net Cash From Operating Activities	<u>71,355</u>	<u>87,384</u>	<u>55,391</u>	<u>78,816</u>	<u>126,774</u>	<u>116,139</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(298,209)	(47,276)	(261,402)	(40,661)	(164,503)	(200,697)
13 Acquisition Of Other Non-Current Assets						
14 Investments In & Advances to Affiliates.						
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						
21						
22						
23 Net Cash From Investing Activities	<u>(298,209)</u>	<u>(47,276)</u>	<u>(261,402)</u>	<u>(40,661)</u>	<u>(164,503)</u>	<u>(200,697)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt	253,860	(75,136)	159,040	(27,108)	79,702	147,316
25 Common Stock						
26 Preferred Stock						
27 Short-Term Debt						
28 Dividends Paid						
29 Other Cash Flows - Financing Activities						(96,953)
30						
31						
32 Net Cash From Financing Activities	<u>253,860</u>	<u>(75,136)</u>	<u>159,040</u>	<u>(27,108)</u>	<u>79,702</u>	<u>50,363</u>
33 Net Increase/(Decrease) In Cash Equivalents	27,006	(35,028)	(46,971)	11,047	41,973	(34,195)
34 Cash & Cash Equivalents At Beginning Of Year	47,353	82,381	129,352	118,305	76,332	110,527
35 Cash & Cash Equivalents At End Of Year	\$74,359	\$47,353	\$82,381	\$129,352	\$118,305	\$76,332

**HERITAGE HILLS WATER COMPANY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$1,056,643	\$1,054,616	\$1,047,112	\$1,031,037	\$1,012,331	\$896,822	1
Sales to Other Water Companies							2
Other Sales of Water							3
Total Revenues from Sales of Water	1,056,643	1,054,616	1,047,112	1,031,037	1,012,331	896,822	4
Other Water Operating Revenues							5
Total Water Operating Revenues	\$1,056,643	\$1,054,616	\$1,047,112	\$1,031,037	\$1,012,331	\$896,822	6
WATER SALES (Thousands of Gallons)							
Sales to General Customers	91,819	92,169	93,649	91,386	92,667	87,736	8
Sales to Other Water Companies							9
Other Sales of Water							10
Total Sales of Water	91,819	92,169	93,649	91,386	92,667	87,736	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	2,440	2,430	2,374	2,361	2,280	2,185	13
Sales to Other Water Companies							14
Other Sales of Water							15
Total Customers	2,440	2,430	2,374	2,361	2,280	2,185	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$433.05	\$434.00	\$441.07	\$436.70	\$444.00	\$410.44	18
Average Consumption per Customer (T.Gal)	37.63	37.93	39.45	38.71	40.64	40.15	19
Average Revenue per T Gallons Sold	\$11.51	\$11.44	\$11.18	\$11.28	\$10.92	\$10.22	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$37,443	\$45,966	\$24,037	\$39,285	\$9,579	\$6,930	24
Power and Pumping	102,345	128,714	126,431	111,826	93,888	91,788	25
Purification	10,607	19,674	16,617	14,758	15,006	14,970	26
Transmission and Distribution	20,973	10,711	21,893	6,752	10,359	4,260	27
Customer Accounting and Collecting	3,490	(605)	(688)	12	34	1,370	28
Administrative and General	146,625	124,278	116,630	111,519	114,060	113,179	29
Total O & M Expense	\$321,483	\$328,738	\$304,920	\$284,152	\$242,927	\$232,497	30

**HERITAGE HILLS WATER COMPANY
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$1,056,643	\$1,054,616	\$1,047,112	\$1,031,037	\$1,012,331	\$896,822
2 Sales (Thousands of Gallons)	91,819	92,169	93,649	91,386	92,667	87,736
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$92,250	\$82,503	\$95,264	\$98,042	\$89,902	\$86,732
4 Wages and Benefits						
5 Other Operation and Maintenance Expense	229,233	246,235	209,656	186,110	153,025	145,765
6 Depreciation and Amortization Expense	109,152	106,948	104,497	102,516	100,529	97,383
7 Income Taxes-Operating						
8 Other Taxes-Operating	297,763	282,960	248,048	254,215	254,658	237,540
9 Capital Costs	328,245	335,970	389,647	390,154	414,217	329,402
10 Total	\$1,056,643	\$1,054,616	\$1,047,112	\$1,031,037	\$1,012,331	\$896,822
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	8.7	7.8	9.1	9.5	8.9	9.7
12 Wages and Benefits						
13 Other Operation and Maintenance Expense	21.7	23.3	20.0	18.1	15.1	16.3
14 Depreciation and Amortization Expense	10.3	10.1	10.0	9.9	9.9	10.9
15 Income Taxes-Operating						
16 Other Taxes-Operating	28.2	26.8	23.7	24.7	25.2	26.5
17 Capital Costs	31.1	31.9	37.2	37.8	40.9	36.7
18 Total	100.0	100.0	100.0	100.0	100.0	100
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	1.00	0.90	1.02	1.07	0.97	0.99
20 Wages and Benefits						
21 Other Operation and Maintenance Expense	2.50	2.67	2.24	2.04	1.65	1.66
22 Depreciation and Amortization Expense	1.19	1.16	1.12	1.12	1.08	1.11
23 Income Taxes-Operating						
24 Other Taxes-Operating	3.24	3.07	2.65	2.78	2.75	2.71
25 Capital Costs	3.57	3.65	4.16	4.27	4.47	3.75
26 Total	11.51	11.44	11.18	11.28	10.92	10.22

**Purchased Water, Fuel or Power for Pumping
and Chemicals**

Purchased Water						
Fuel for Pumping	84,727	71,910	81,491	86,737	79,364	75,348
Chemicals	7,523	10,593	13,773	11,305	10,538	11,384
Total PW, Fuel and Chemicals	92,250	82,503	95,264	98,042	89,902	86,732
Total - Ultimate Customers						

Wages and Benefits

Salaries						
Pensions and Benefits						
Total Wages and Benefits						

Other Expenses

Total O&M Expenses	321,483	328,738	304,920	284,152	242,927	232,497
-Total PW, Fuel and Chemicals	92,250	82,503	95,264	98,042	89,902	86,732
-Wages and Benefits						
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	229,233	246,235	209,656	186,110	153,025	145,765

Depreciation and Amortization

Depreciation Exp	109,152	106,948	104,497	102,516	100,529	97,383
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	109,152	106,948	104,497	102,516	100,529	97,383

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals						
divided by Total Gallons						
Cost per KWH						
times Sales for Resale MWHs						
Sales for Resale Cost						

HERITAGE HILLS WATER COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	1
Source of Supply	498,020	498,020	498,020	498,020	487,961	471,782	2
Pumping	172,317	172,317	172,317	172,317	172,317	172,317	3
Water Treatment	482,632	482,632	482,632	482,632	482,632	482,632	4
Transmission and Distribution	5,244,421	4,946,211	4,898,934	4,637,532	4,606,931	4,458,607	5
General	9,717	9,717	9,717	9,717	9,717	9,717	6
Purchased or Sold							7
Total Plant in Service	6,487,107	6,188,897	6,141,620	5,880,218	5,839,558	5,675,055	8
Plant Leased To Others							9
Construction Work In Progress							10
Plant Held For Future Use							11
Plant Acquisition Adjustments							12
Accum. Gains & Losses - Utility Land & Land Rights							13
Total Plant	6,487,107	6,188,897	6,141,620	5,880,218	5,839,558	5,675,055	14
Accum. Prov. - Depr. & Amort.	2,035,766	1,926,613	1,819,665	1,715,169	1,612,652	1,512,123	15
Net Plant	\$4,451,341	\$4,262,284	\$4,321,955	\$4,165,049	\$4,226,906	\$4,162,932	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	0.03	0.05	0.05	0.07	0.07	0.06	17
Total Capitalization	\$1,262,254	\$1,322,404	\$1,414,590	\$1,519,294	\$1,648,761	\$1,730,637	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt		159.4%	154.2%	149.4%	141.2%	137.6%	19
Preferred Stock							20
Common Stock & Retained Earnings	-67.3%	-65.2%	-59.2%	-53.6%	-44.7%	-40.6%	21
Short-Term Debt	167.3%	5.7%	5.0%	4.2%	3.5%	3.0%	22
Pretax Coverage of Interest Expense	1.0	1.0	1.1	0.8	0.9	0.8	23
Com. Stock Dividends as a % of Earnings							24
Return on Common Equity	NA	NA	NA	NA	NA	NA	25
Internal Cash Generated as a % of Cash Outflows for Construction	23.9%	184.8%	21.2%	-193.8%	-77.1%	-57.9%	26
CWIP as a % of Plant							27
Number of Employees							28

**JAMAICA WATER SUPPLY COMPANY
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
UTILITY PLANT					
1					---

OTHER PROPERTY AND INVESTMENTS					
2					---
3					---
4					---
5					---
CURRENT AND ACCRUED ASSETS					
6					---
7					---
8					---
23					---
10					---
11					---
12					---
13					---
DEFERRED DEBITS					
14					---
15					---
16					---
17					---
18					---
PROPRIETARY CAPITAL					
19					---
20					---
21					---
22					---
23					---
24					---
LONG-TERM DEBT					
25					---
CURRENT AND ACCRUED LIABILITIES					
26					---
27					---
28					---
29					---
30					---
31					---
32					---
33					---
34					---
DEFERRED CREDITS					
35					---
36					---
37					---
38					---
39					---
OPERATING RESERVES					
40					---
41					---

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2000	1999
UTILITY OPERATING INCOME		
Operating Revenues		--- 1
Operating Expense:		
Operation Expense		--- 2
Maintenance Expense		--- 3
Depreciation and Amortization Expense		--- 4
Taxes Other than Income Taxes		--- 5
Income Taxes		--- 6
Total Operating Expenses		--- 7
Net Operating Revenues		--- 8
Other Utility Operating Income		--- 9
Total Utility Operating Income		10
OTHER INCOME		
Interest and Dividend Income		--- 11
Allowance for Funds Used During Construction		--- 12
Miscellaneous Nonoperating Income		--- 13
Other Income		--- 14
Total Other Income		--- 15
Other Income Deductions		--- 16
Taxes-Other Income and Deductions		--- 17
Income Available		--- 18
INTEREST CHARGES		
Interest on Long-Term Debt		--- 19
Interest on Debt to Associated Co.		--- 20
Other Interest Expense		--- 21
Total Interest Charges		--- 22
Income Before Extraordinary Items		--- 23
Extraordinary Items		--- 24
Net Income		--- 25
<hr/>		
RETAINED EARNINGS		
Unappropriated (Beginning)		--- 26
Balance Transferred from Income		--- 27
Appropriated		--- 28
Dividends Declared-Preferred Stock		--- 29
Dividends Declared-Common Stock		--- 30
Adjustments to Retained Earnings		--- 31
Net Change		--- 32
Unappropriated (EOP)		--- 33
Appropriated (EOP)		--- 34
Total Retained Earnings		--- 35

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31**

	2000	1999
Cash Flows From Operating Activities		
1 Net Income		---
Adjustments to reconcile net income to net cash provided by operating activities:		
2 Depreciation, Depletion & Amortization		---
3 Deferred Taxes & ITCs		---
4 Receivables and Inventory		---
5 Payables and Accrued Expenses		---
6 Capitalized AFUDC - Equity Funds		---
7 Equity In Loss (Earnings) Of Affiliates		---
8 Other Adjustments		---
9		
10		
11 Net Cash From Operating Activities		---
Cash Flows From Investing Activities		
12 Cash Outflows For Construction		---
13 Acquisition Of Other Non-Current Assets		---
14 Investments In & Advances to Affiliates.		---
15 Contributions & Advances from Affiliates		---
Net Proceeds - Sale Or Disposition Of:		
16 Property, Plant & Equipment		---
17 Investments in Affiliated Companies		---
18 Other Debt & Equity Investments		---
19 Other Non-Current Assets		---
20 Other Cash Flows - Investing Activities		---
21		
22		
23 Net Cash From Investing Activities		---
Cash Flows From Financing Activities		
Net Proceeds (Payments) - Issuing & Retiring:		
24 Long-Term Debt		---
25 Common Stock		---
26 Preferred Stock		---
27 Short-Term Debt		---
28 Dividends Paid		---
29 Other Cash Flows - Financing Activities		---
30		
31		
32 Net Cash From Financing Activities		---
33 Net Increase/(Decrease) In Cash Equivalents		---
34 Cash & Cash Equivalents At Beginning Of Year		---
35 Cash & Cash Equivalents At End Of Year		---

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2000	1999
SALES AND CUSTOMER DATA		
REVENUES		
Unmetered Sales to General Customers		--- 1
Metered Sales to General Customers		--- 2
Sales to Other Water Companies		--- 3
Other Sales of Water		--- 4
Total Revenues from Sales of Water		--- 5
Other Water Operating Revenues		--- 6
Total Water Operating Revenues		--- 7
WATER SALES (Thousands of Gallons)		
Unmetered Sales to General Customers		--- 8
Metered Sales to General Customers		--- 9
Sales to Other Water Companies		--- 10
Other Sales of Water		--- 11
Total Sales of Water		--- 12
AVG CUSTOMERS PER MONTH		
Unmetered Sales to General Customers		--- 13
Metered Sales to General Customers		--- 14
Sales to Other Water Companies		--- 15
Other Sales of Water		--- 16
Total Customers		--- 17
OPERATING REVENUE RELATIONSHIP		
METERED GENERAL CUSTOMERS		
Average Annual Bill per Customer		--- 18
Average Consumption per Customer (T.Gal)		--- 19
Average Revenue per T Gallons Sold		--- 20
UNMETERED GENERAL CUSTOMERS		
Average Annual Bill per Customer		--- 21
Average Consumption per Customer (T.Gal)		--- 22
Average Revenue per T Gallons Sold		--- 23
OPERATION AND MAINTENANCE EXPENSES		
Source of Supply		--- 24
Power and Pumping		--- 25
Purification		--- 26
Transmission and Distribution		--- 27
Customer Accounting and Collecting		--- 28
Administrative and General		--- 29
Total O & M Expense		--- 30

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2000	1999
1 Revenues		---
2 Sales (Thousands of Gallons)		---
DOLLAR AMOUNTS		
3 Purchased Water, Fuel or Power for Pumping, and Chemicals		---
4 Wages and Benefits		---
5 Other Operation and Maintenance Expense		---
6 Depreciation and Amortization Expense		---
7 Income Taxes-Operating		---
8 Other Taxes-Operating		---
9 Capital Costs		---
10 Total		---
PERCENT OF REVENUES		
11 Purchased Water, Fuel or Power for Pumping, and Chemicals		---
12 Wages and Benefits		---
13 Other Operation and Maintenance Expense		---
14 Depreciation and Amortization Expense		---
15 Income Taxes-Operating		---
16 Other Taxes-Operating		---
17 Capital Costs		---
18 Total		---
DOLLARS PER THOUSAND GALLONS SOLD		
19 Purchased Water, Fuel or Power for Pumping, and Chemicals		---
20 Wages and Benefits		---
21 Other Operation and Maintenance Expense		---
22 Depreciation and Amortization Expense		---
23 Income Taxes-Operating		---
24 Other Taxes-Operating		---
25 Capital Costs		---
26 Total		---

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**Purchased Water, Fuel or Power for Pumping
and Chemicals**

Purchased Water
Fuel for Pumping
Chemicals

Total PW, Fuel and Chemicals

Total - Ultimate Customers

Wages and Benefits

Salaries
Pensions and Benefits
Total Wages and Benefits

Other Expenses

Total O&M Expenses
-Total PW, Fuel and Chemicals
-Wages and Benefits
-Other Gains
+Other Losses
-Other Revenues
Other Expenses

Depreciation and Amortization

Depreciation Exp
Amort of Utility Plant
Amort of Other Utility Plant
Amort of Property Losses

Total Depre and Amort

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals
divided by Total Gallons
Cost per KWH
times Sales for Resale MWHs
Sales for Resale Cost

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2000	1999
WATER UTILITY PLANT		
Plant in Service		
Intangible		--- 1
Source of Supply		--- 2
Pumping		--- 3
Water Treatment		--- 4
Transmission and Distribution		--- 5
General		--- 6
Purchased or Sold		7
Total Plant in Service		--- 8
Plant Leased To Others		9
Construction Work In Progress		--- 10
Plant Held For Future Use		11
Plant Acquisition Adjustments		12
Accum. Gains & Losses - Utility Land & Land Rights		--- 13
Total Plant		--- 14
Accum. Prov. - Depr. & Amort.		--- 15
Net Plant		--- 16
SELECTED RATIOS AND STATISTICS		
Current Assets / Current Liabilities		--- 17
Total Capitalization		--- 18
<u>Percent Of Capitalization (incl S-T Debt)</u>		
Long-Term Debt		--- 19
Preferred Stock		--- 20
Common Stock & Retained Earnings		--- 21
Short-Term Debt		--- 22
Pretax Coverage of Interest Expense		--- 23
Com. Stock Dividends as a % of Earnings		--- 24
Return on Common Equity		--- 25
Internal Cash Generated as a % of Cash Outflows for Construction		--- 26
CWIP as a % of Plant		--- 27
Number of Employees		28

Note:

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

LONG ISLAND WATER CORPORATION
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$66,403,077	\$62,439,796	\$57,746,245	\$54,021,682	\$52,156,835	\$50,952,740
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)	63,368	63,367	63,368	63,368	63,368	63,368
3 Other Investments						
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments	63,368	63,367	63,368	63,368	63,368	63,368
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	467,209	174,689	1,180	333,166	3,523,975	238,381
7 Notes and Accounts Receivables - Net	3,065,283	3,236,666	4,983,765	2,884,229	2,645,262	2,649,822
8 Receivables from Associated Companies						58,391
23 Materials and Supplies	546,909	580,502	770,320	612,516	600,718	646,064
10 Prepayments	555,877	576,649	1,243,720	1,064,273	956,223	923,898
11 Accrued Utility Revenue	3,607,300	3,589,905	3,211,066	(153,500)	(2,509,228)	(715,380)
12 Misc Current and Accrued Assets				51,339	17,692	132,265
13 Total Current and Accrued Assets	8,242,578	8,158,411	10,210,051	4,792,023	5,234,642	3,933,441
DEFERRED DEBITS						
14 Unamort. Debt Expense	1,170,196	1,230,527	1,290,843	1,351,149	1,411,454	1,498,712
15 Other Deferred Debits	1,950,162	2,086,802	1,754,079	448,080	289,242	212,884
16 Accumulated Deferred Income Taxes	6,816,006	6,730,020	6,703,075	6,678,789	6,687,790	6,692,372
17 Total Deferred Debits	9,936,364	10,047,349	9,747,997	8,478,018	8,388,486	8,403,968
18 Total Assets and Other Debits	\$84,645,387	\$80,708,923	\$77,767,661	\$67,355,091	\$65,843,331	\$63,353,517
PROPRIETARY CAPITAL						
19 Common Stock Issued	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
20 Preferred Stock Issued	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
21 Other Paid-in Capital						
22 Retained Earnings	18,334,269	17,778,920	17,641,397	16,893,078	15,455,942	15,227,939
23 Reacquired Capital Stock						
24 Total Proprietary Capital	29,459,269	28,903,920	28,766,397	28,018,078	26,580,942	26,352,939
LONG-TERM DEBT						
25 Long-Term Debt	22,930,000	22,930,000	23,000,000	23,000,000	23,000,000	23,000,000
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable	12,525,121	8,736,975	6,002,266	1,134,126		
27 Accounts Payable	802,999	464,286	720,415	380,946	698,377	1,028,866
28 Payables to Associated Companies	723,872	76,548	(164,834)	368,184	85,862	(2,550,848)
29 Customer Deposits	3,792	3,792	14,738	14,688	183,994	181,324
30 Taxes Accrued	268,662	23,345	570,367	343,723	1,326,005	1,019,566
31 Interest Accrued	356,591	341,078	357,685	341,808	344,265	344,671
32 Matured Long-Term Debt		13,609				
33 Misc Current and Accrued Liabilities	1,740,893	1,192,401	1,715,923	1,079,325	1,732,050	1,301,493
34 Total Current and Accrued Liabilities	16,435,539	10,838,425	9,216,560	3,662,800	4,370,553	1,325,072
DEFERRED CREDITS						
35 Customer Advances for Construction	66,751	81,051	104,225	114,985	68,247	70,047
36 Other Deferred Credits	2,008,336	5,405,818	5,512,692	1,677,385	2,302,941	2,453,358
37 Accumulated Deferred Investment Tax Credits	373,822	388,822	403,822	418,821	433,821	448,821
38 Accumulated Deferred Income Taxes	13,371,670	12,160,838	10,763,965	10,463,023	9,086,826	9,703,280
39 Total Deferred Credits	15,820,578	18,036,529	16,784,704	12,674,215	11,891,835	12,675,506
OPERATING RESERVES						
40 Operating Reserves						
41 Total Liabilities and Other Credits	\$84,645,386	\$80,708,874	\$77,767,661	\$67,355,093	\$65,843,330	\$63,353,517

LONG ISLAND WATER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$36,261,005	\$35,786,146	\$35,797,358	\$36,579,039	\$35,309,296	\$34,910,004	1
Operating Expense:							
Operation Expense	13,019,125	12,332,330	12,618,551	12,337,095	13,754,851	11,679,049	2
Maintenance Expense	2,372,185	2,771,363	878,454	916,429	2,243,985	2,862,287	3
Depreciation and Amortization Expense	1,803,402	1,660,060	1,463,839	1,395,397	1,266,450	1,214,320	4
Taxes Other than Income Taxes	14,163,422	13,526,751	12,707,603	12,979,885	14,102,524	13,554,651	5
Income Taxes	1,292,202	1,377,100	2,683,238	3,451,661	930,527	1,502,472	6
Total Operating Expenses	32,650,336	31,667,604	30,351,685	31,080,467	32,298,337	30,812,779	7
Net Operating Revenues	3,610,669	4,118,542	5,445,673	5,498,572	3,010,959	4,097,225	8
Other Utility Operating Income							9
Total Utility Operating Income	3,610,669	4,118,542	5,445,673	5,498,572	3,010,959	4,097,225	10
OTHER INCOME							
Interest and Dividend Income			249	83,768	95,033		11
Allowance for Funds Used During Construction	250,270	174,154	158,664	58,819	102,928	72,575	12
Miscellaneous Nonoperating Income	(21,117)	(9,611)	(36,054)	(12,903)	35	262,144	13
Other Income					(20,214)	680	14
Total Other Income	229,153	164,543	122,859	129,684	177,782	335,399	15
Other Income Deductions	43,728	44,394	58,508	107,906	71,310	75,443	16
Taxes-Other Income and Deductions	49,119	32,349	(20,442)	3,118	3,476	5,559	17
Income Available	3,746,975	4,206,342	5,530,466	5,517,232	3,113,955	4,351,622	18
INTEREST CHARGES							
Interest on Long-Term Debt	1,553,056	1,555,185	1,556,706	1,556,705	1,583,658	1,599,220	19
Interest on Debt to Associated Co.						(13,112)	20
Other Interest Expense	123,195	170,260	155,316	31,514	7,420	(142,855)	21
Total Interest Charges	1,676,251	1,725,445	1,712,022	1,588,219	1,591,078	1,443,253	22
Income Before Extraordinary Items	2,070,724	2,480,897	3,818,444	3,929,013	1,522,877	2,908,369	23
Net Extraordinary Items							24
Net Income	\$2,070,724	\$2,480,897	\$3,818,444	\$3,929,013	\$1,522,877	\$2,908,369	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$17,778,920	\$17,641,397	\$16,893,078	\$15,455,940	\$15,227,940	\$14,010,774	26
Balance Transferred from Income	2,070,724	2,480,897	3,818,444	3,929,013	1,522,876	2,921,541	27
Appropriated							28
Dividends Declared-Preferred Stock	50,625	50,625	50,625	50,625	50,625	50,625	29
Dividends Declared-Common Stock	1,464,750	2,292,749	3,019,500	2,441,250	1,244,250	1,653,750	30
Adjustments to Retained Earnings							31
Net Change	555,349	137,523	748,319	1,437,138	228,001	1,217,166	32
Unappropriated (EOP)	18,334,269	17,778,920	17,641,397	16,893,078	15,455,940	15,227,940	33
Appropriated (EOP)							34
Total Retained Earnings	\$18,334,269	\$17,778,920	\$17,641,397	\$16,893,078	\$15,455,940	\$15,227,940	35

LONG ISLAND WATER CORPORATION
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$2,070,724	\$2,480,897	\$3,818,444	\$3,929,012	\$1,522,876	\$2,921,541
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	2,018,000	1,887,000	1,568,518	1,499,981	1,627,397	1,348,281
3 Deferred Taxes & ITCs	1,211,000	1,304,000	293,408	1,261,537	(626,872)	(227,298)
4 Receivables and Inventory	229,000	265,000	71,775	81,552	1,784,309	140,794
5 Payables and Accrued Expenses	1,111,000	1,153,000	(1,822,039)	(819,280)	(44,959)	198,308
6 Capitalized AFUDC - Equity Funds	(180,000)	(133,000)	(113,964)	(30,398)		(72,575)
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments	(3,112,724)	(1,256,897)	(774,932)	(4,525,928)	545,412	3,525,044
9	14,520	509	(65,640)			
10						
11 Net Cash From Operating Activities	<u>3,361,520</u>	<u>5,700,509</u>	<u>2,975,570</u>	<u>1,396,476</u>	<u>4,808,163</u>	<u>7,834,095</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(5,839,000)	(5,826,000)	(5,094,815)	(3,276,272)	(2,776,740)	(4,252,354)
13 Acquisition Of Other Non-Current Assets						
14 Investments In & Advances to Affiliates.						(111,300)
15 Contributions & Advances from Affiliates					(1,800)	
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						
21						
22						
23 Net Cash From Investing Activities	<u>(5,839,000)</u>	<u>(5,826,000)</u>	<u>(5,094,815)</u>	<u>(3,276,272)</u>	<u>(2,778,540)</u>	<u>(4,363,654)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt		(70,000)				2,725,554
25 Common Stock						
26 Preferred Stock						
27 Short-Term Debt	4,300,000	2,735,000	4,868,140	1,180,864		(4,422,931)
28 Dividends Paid	(1,516,000)	(2,343,000)	(3,070,125)	(2,491,875)	(1,294,875)	(1,704,375)
29 Other Cash Flows - Financing Activities	(14,000)	(23,000)	(10,760)		2,550,848	
30						
31						
32 Net Cash From Financing Activities	<u>2,770,000</u>	<u>299,000</u>	<u>1,787,255</u>	<u>(1,311,011)</u>	<u>1,255,973</u>	<u>(3,401,752)</u>
33 Net Increase/(Decrease) In Cash Equivalents	292,520	173,509	(331,990)	(3,190,807)	3,285,596	68,689
34 Cash & Cash Equivalents At Beginning Of Year	174,689	1,180	333,170	3,523,977	238,381	169,692
35 Cash & Cash Equivalents At End Of Year	\$467,209	\$174,689	\$1,180	\$333,170	\$3,523,977	\$238,381

LONG ISLAND WATER CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$32,169,438	\$31,435,867	\$31,604,889	\$33,481,861	\$32,171,516	\$31,860,409	1
Sales to Other Water Companies	949,119	1,048,067	989,953				2
Other Sales of Water	2,840,384	2,957,887	2,870,960	2,845,860	2,932,678	2,827,122	3
Total Revenues from Sales of Water	35,958,941	35,441,821	35,465,802	36,327,721	35,104,194	34,687,531	4
Other Water Operating Revenues	302,064	344,325	331,556	251,315	205,100	222,473	5
Total Water Operating Revenues	\$36,261,005	\$35,786,146	\$35,797,358	\$36,579,036	\$35,309,294	\$34,910,004	6
WATER SALES (Thousands of Gallons)							
Sales to General Customers	8,077,628	9,986,350	10,179,400	9,459,113	10,188,032	9,812,951	8
Sales to Other Water Companies	361,652						9
Other Sales of Water							10
Total Sales of Water	8,439,280	9,986,350	10,179,400	9,459,113	10,188,032	9,812,951	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	72,518	72,871	72,916	73,813	73,813	73,575	13
Sales to Other Water Companies	339						14
Other Sales of Water	709	706	718	722	722	703	15
Total Customers	73,566	73,577	73,634	74,535	74,535	74,278	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$443.61	\$431.39	\$433.44	\$453.60	\$435.85	\$433.03	18
Average Consumption per Customer (T.Gal)	111.39	137.04	139.60	128.15	138.02	133.37	19
Average Revenue per T Gallons Sold	\$3.98	\$3.15	\$3.10	\$3.54	\$3.16	\$3.25	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$208,769	\$226,340	\$397,923	\$206,868	\$137,587	\$153,880	24
Power and Pumping	2,873,731	3,200,951	2,833,644	3,073,122	2,604,569	2,717,854	25
Purification	1,176,633	1,317,652	1,591,173	1,368,965	1,436,179	1,523,100	26
Transmission and Distribution	2,641,518	2,868,628	2,919,757	2,790,431	2,839,074	3,365,056	27
Customer Accounting and Collecting	1,212,175	1,340,579	1,667,239	1,954,432	2,095,472	2,133,267	28
Administrative and General	7,278,484	6,149,543	4,087,271	3,859,708	6,885,953	4,648,179	29
Total O & M Expense	\$15,391,310	\$15,103,693	\$13,497,006	\$13,253,526	\$15,998,835	\$14,541,336	30

**LONG ISLAND WATER CORPORATION
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$36,261,005	\$35,786,146	\$35,797,358	\$36,579,036	\$35,309,294	\$34,910,004
2 Sales (Thousands of Gallons)	8,439,280	9,986,350	10,179,400	9,459,113	10,188,032	9,812,951
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$2,041,281	\$2,115,135	\$2,087,704	\$1,779,904	\$1,744,389	\$1,949,461
4 Wages and Benefits	7,297,703	6,648,017	6,549,683	7,064,930	9,543,801	9,168,656
5 Other Operation and Maintenance Expense	6,052,326	6,340,541	4,859,619	4,408,692	4,710,645	3,423,219
6 Depreciation and Amortization Expense	1,803,402	1,660,060	1,463,839	1,395,397	1,266,450	1,214,320
7 Income Taxes-Operating	1,292,202	1,377,100	2,683,238	3,451,661	930,527	1,502,472
8 Other Taxes-Operating	14,163,422	13,526,751	12,707,603	12,979,885	14,102,524	13,554,651
9 Capital Costs	3,610,669	4,118,542	5,445,673	5,498,567	3,010,958	4,097,225
10 Total	\$36,261,005	\$35,786,146	\$35,797,358	\$36,579,036	\$35,309,294	\$34,910,004
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	5.6	5.9	5.8	4.9	4.9	5.6
12 Wages and Benefits	20.1	18.6	18.3	19.3	27.0	26.3
13 Other Operation and Maintenance Expense	16.7	17.7	13.6	12.1	13.3	9.8
14 Depreciation and Amortization Expense	5.0	4.6	4.1	3.8	3.6	3.5
15 Income Taxes-Operating	3.6	3.8	7.5	9.4	2.6	4.3
16 Other Taxes-Operating	39.1	37.8	35.5	35.5	39.9	38.8
17 Capital Costs	10.0	11.5	15.2	15.0	8.5	11.7
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.24	0.21	0.21	0.19	0.17	0.20
20 Wages and Benefits	0.86	0.67	0.64	0.75	0.94	0.93
21 Other Operation and Maintenance Expense	0.72	0.63	0.48	0.47	0.46	0.35
22 Depreciation and Amortization Expense	0.21	0.17	0.14	0.15	0.12	0.12
23 Income Taxes-Operating	0.15	0.14	0.26	0.36	0.09	0.15
24 Other Taxes-Operating	1.68	1.35	1.25	1.37	1.38	1.38
25 Capital Costs	0.43	0.41	0.53	0.58	0.30	0.42
26 Total	4.30	3.58	3.52	3.87	3.47	3.56

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water						
Fuel for Pumping	1,560,823	1,580,045	1,497,216	1,387,233	1,283,130	1,381,149
Chemicals	480,458	535,090	590,488	392,671	461,259	568,312
Total PW, Fuel and Chemicals	2,041,281	2,115,135	2,087,704	1,779,904	1,744,389	1,949,461
Total - Ultimate Customers						

Wages and Benefits

Salaries	5,080,598	5,264,841	5,192,272	5,731,576	7,865,874	7,062,850
Pensions and Benefits	2,217,105	1,383,176	1,357,411	1,333,354	1,677,927	2,105,806
Total Wages and Benefits	7,297,703	6,648,017	6,549,683	7,064,930	9,543,801	9,168,656

Other Expenses

Total O&M Expenses	15,391,310	15,103,693	13,497,005	13,253,526	15,998,835	14,541,336
-Total PW, Fuel and Chemicals	2,041,281	2,115,135	2,087,704	1,779,904	1,744,389	1,949,461
-Wages and Benefits	7,297,703	6,648,017	6,549,683	7,064,930	9,543,801	9,168,656
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	6,052,326	6,340,541	4,859,619	4,408,692	4,710,645	3,423,219

Depreciation and Amortization

Depreciation Exp	1,803,402	1,660,060	1,463,839	1,395,397	1,266,450	
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	1,803,402	1,660,060	1,463,839	1,395,397	1,266,450	

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	2,041,281	2,115,135	2,087,704	1,779,904	1,744,389	1,949,461
divided by Total Gallons	8,439,280	9,986,350	10,179,400	9,459,113	10,188,032	9,812,951
Cost per KWH	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002
times Sales for Resale MWHs						
Sales for Resale Cost						

LONG ISLAND WATER CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible	\$669	\$669	\$669	\$669	\$669	\$669	1
Source of Supply	5,865,773	5,865,773	5,584,961	5,317,112	4,402,747	4,212,971	2
Pumping	8,134,571	7,349,353	7,135,888	6,615,015	5,314,386	5,255,650	3
Water Treatment	8,460,814	8,445,737	8,427,545	8,289,849	7,824,222	7,519,073	4
Transmission and Distribution	65,016,856	61,990,135	58,617,048	55,792,233	53,897,110	52,621,572	5
General	6,973,986	6,682,538	5,036,998	4,988,640	4,665,295	3,130,721	6
Purchased or Sold							7
Total Plant in Service	94,452,669	90,334,205	84,803,109	81,003,518	76,104,429	72,740,656	8
Plant Leased To Others							9
Construction Work In Progress	3,866,555	2,303,066	1,881,675	466,423	2,127,445	2,982,262	10
Plant Held For Future Use	110,933	110,933	110,933	110,933	110,933	110,933	11
Plant Acquisition Adjustments	885,558	88,556	132,834	177,112	221,390	265,668	12
Accum. Gains & Losses - Utility Land & Land Rights							13
Total Plant	99,315,715	92,836,760	86,928,551	81,757,986	78,564,197	76,099,519	14
Accum. Prov. - Depr. & Amort.	32,912,638	30,396,963	29,182,306	27,736,305	26,407,365	25,146,780	15
Net Plant	\$66,403,077	\$62,439,797	\$57,746,245	\$54,021,682	\$52,156,832	\$50,952,739	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	0.50	0.75	1.11	1.31	1.20	2.97	17
Total Capitalization	\$64,914,390	\$60,570,895	\$57,768,663	\$52,152,204	\$49,580,942	\$49,352,939	18
Percent Of Capitalization (incl S-T Debt)							
Long-Term Debt	35.3%	37.9%	39.8%	44.1%	46.4%	46.6%	19
Preferred Stock	1.7%	1.9%	1.9%	2.2%	2.3%	2.3%	20
Common Stock & Retained Earnings	43.6%	45.9%	47.8%	51.6%	51.3%	51.1%	21
Short-Term Debt	19.3%	14.4%	10.4%	2.2%			22
Pretax Coverage of Interest Expense	3.0	3.2	4.8	5.6	2.5	4.1	23
Com. Stock Dividends as a % of Earnings	72.5%	94.3%	80.1%	62.9%	84.5%	57.9%	24
Return on Common Equity	7.2%	8.8%	13.8%	14.8%	5.8%	11.6%	25
Internal Cash Generated as a % of Cash Outflows for Construction	-57.6%	-97.8%	-58.4%	-42.6%	-173.2%	-184.2%	26
CWIP as a % of Plant	3.9%	2.5%	2.2%	0.6%	2.7%	3.9%	27
Number of Employees	99	106	108	105	129	140	28

NEW YORK-AMERICAN WATER COMPANY
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$24,234,769	\$23,949,387	\$24,168,290	\$23,928,364	\$23,654,479	\$20,272,418
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)	239,001	239,000	239,001	239,001	239,001	239,001
3 Other Investments						
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments	239,001	239,000	239,001	239,001	239,001	239,001
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents			65,344	46,497	248,408	2,016,350
7 Notes and Accounts Receivables - Net	827,087	802,822	1,055,872	811,842	685,066	490,552
8 Receivables from Associated Companies	22,911	17,666	(1,195)		147,160	
9 Materials and Supplies	250,793	126,874	117,866	114,172	121,894	52,328
10 Prepayments	310,940	281,954	279,563	268,135	448,521	554,930
11 Accrued Utility Revenue	1,289,890	1,292,387	1,275,919	1,220,511	1,068,013	1,249,881
12 Misc Current and Accrued Assets			29,191	25,714	13,697	17,064
13 Total Current and Accrued Assets	2,701,621	2,521,703	2,822,560	2,486,871	2,732,759	4,381,104
DEFERRED DEBITS						
14 Unamort. Debt Expense	129,733	160,386	261,496	306,490	351,483	393,955
15 Other Deferred Debits	1,758,822	1,594,449	2,037,624	1,733,096	1,932,587	2,035,555
16 Accumulated Deferred Income Taxes						
17 Total Deferred Debits	1,888,555	1,754,835	2,299,120	2,039,586	2,284,070	2,429,510
18 Total Assets and Other Debits	\$29,063,946	\$28,464,925	\$29,528,971	\$28,693,822	\$28,910,309	\$27,322,033
PROPRIETARY CAPITAL						
19 Common Stock Issued	1,685,000	\$1,685,000	\$1,684,999	\$1,685,000	\$1,685,000	\$1,737,200
20 Preferred Stock Issued	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
21 Other Paid-in Capital	3,300,000	5,090,982	3,300,000	3,300,000	3,300,000	3,247,800
22 Retained Earnings	2,552,791	469,580	3,041,247	2,914,601	2,397,778	2,279,257
23 Reacquired Capital Stock						
24 Total Proprietary Capital	8,537,791	8,245,562	9,026,246	8,899,601	8,382,778	8,264,257
LONG-TERM DEBT						
25 Long-Term Debt	4,700,000	8,200,000	11,200,000	11,200,000	11,200,000	11,200,000
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable			2,893,503	2,263,305		
27 Accounts Payable	321,584	316,139	442,997	214,829	223,751	83,637
28 Payables to Associated Companies	9,400,000	5,800,000	251,964	323,077	464,426	1,095,715
29 Customer Deposits						
30 Taxes Accrued	23,710		22	(78,517)	267,906	398,547
31 Interest Accrued	112,225	201,942	255,291	262,733	252,287	257,672
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	290,248	487,192	390,799	277,738	729,480	179,002
34 Total Current and Accrued Liabilities	10,147,767	6,805,273	4,234,576	3,263,165	1,937,850	2,014,573
DEFERRED CREDITS						
35 Customer Advances for Construction	1,218,899	1,182,658	1,076,952	1,556,770	3,656,498	2,282,493
36 Other Deferred Credits	940,242	654,468	522,281	520,180	579,354	488,161
37 Accumulated Deferred Investment Tax Credits	90,861	92,965	95,071	97,176	99,279	101,381
38 Accumulated Deferred Income Taxes	3,428,386	3,284,000	3,373,844	3,156,931	3,054,550	2,971,170
39 Total Deferred Credits	5,678,388	5,214,091	5,068,148	5,331,057	7,389,681	5,843,205
OPERATING RESERVES						
40 Operating Reserves						
41 Total Liabilities and Other Credits	\$29,063,946	\$28,464,926	\$29,528,970	\$28,693,823	\$28,910,309	\$27,322,035

NEW YORK-AMERICAN WATER COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$10,307,015	\$10,768,383	\$11,083,720	\$10,447,191	\$10,291,680	\$9,698,339	1
Operating Expense:							
Operation Expense	4,902,814	5,860,024	5,024,149	4,806,133	4,943,764	4,505,124	2
Maintenance Expense	354,803	410,413	245,134	288,175	132,005	285,028	3
Depreciation and Amortization Expense	556,558	555,318	551,962	527,515	495,908	448,490	4
Taxes Other than Income Taxes	2,363,674	2,469,184	2,352,322	2,405,646	2,358,365	2,567,615	5
Income Taxes	712,305	442,886	769,452	438,877	500,355	339,145	6
Total Operating Expenses	8,890,154	9,737,825	8,943,019	8,466,346	8,430,397	8,145,402	7
Net Operating Revenues	1,416,861	1,030,558	2,140,701	1,980,845	1,861,283	1,552,937	8
Other Utility Operating Income							9
Total Utility Operating Income	1,416,861	1,030,558	2,140,701	1,980,845	1,861,283	1,552,937	10
OTHER INCOME							
Interest and Dividend Income	5,226		909	74	37,455	18,483	11
Allowance for Funds Used During Construction	4,008	27,805	27,375		30,094	13,762	12
Miscellaneous Nonoperating Income		(735,933)		44,009			13
Other Income	53,683	61,392	33,053	50,146	34,604	45,322	14
Total Other Income	62,917	(646,736)	61,337	94,229	102,153	77,567	15
Other Income Deductions	2,305	2,405	2,305	2,304	2,456	2,350	16
Taxes-Other Income and Deductions	24,200	(259,700)	13,950	9,112	25,166	22,317	17
Income Available	1,453,273	641,117	2,185,783	2,063,658	1,935,814	1,605,837	18
INTEREST CHARGES							
Interest on Long-Term Debt	445,157	780,393	977,489	1,053,244	977,489	984,648	19
Interest on Debt to Associated Co.	93,867	54,932	118,510				20
Other Interest Expense	2,750	20,958	9,117	6,002	28,441	30	21
Total Interest Charges	541,774	856,283	1,105,116	1,059,246	1,005,930	984,678	22
Income Before Extraordinary Items	911,499	(215,166)	1,080,667	1,004,412	929,884	621,159	23
Net Extraordinary Items							24
Net Income	\$911,499	(\$215,166)	\$1,080,667	\$1,004,412	\$929,884	\$621,159	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$469,578	\$3,041,245	\$2,914,599	\$2,397,777	\$2,279,254	\$2,152,759	26
Balance Transferred from Income	911,499	(215,166)	1,080,667	972,310	929,884	621,157	27
Appropriated							28
Dividends Declared-Preferred Stock	76,700	76,700	76,700	76,700	76,700	76,700	29
Dividends Declared-Common Stock	542,570	488,819	877,321	378,788	734,661	417,962	30
Adjustments to Retained Earnings	1,790,982	(1,790,982)					31
Net Change	2,083,211	(2,571,667)	126,646	516,822	118,523	126,495	32
Unappropriated (EOP)	2,552,789	469,578	3,041,245	2,914,599	2,397,777	2,279,254	33
Appropriated (EOP)							34
Total Retained Earnings	\$2,552,789	\$469,578	\$3,041,245	\$2,914,599	\$2,397,777	\$2,279,254	35

NEW YORK-AMERICAN WATER COMPANY
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$911,499	(\$215,166)	\$1,080,667	\$972,311	\$929,882	\$621,157
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	661,560	708,658	779,411	903,160	752,226	487,490
3 Deferred Taxes & ITCs	142,282	(138,574)	239,931	5,927	(1,624)	216,000
4 Receivables and Inventory	(153,429)	244,042	(163,028)	(123,297)	(162,944)	(38,000)
5 Payables and Accrued Expenses	28,268	(23,000)	197,054	(152,498)	181,868	922,000
6 Capitalized AFUDC - Equity Funds	4,008	(27,805)	(15,963)	147,160	(147,160)	
7 Equity In Loss (Earnings) Of Affiliates				7,722	(69,566)	(8,000)
8 Other Adjustments		(17,672)	(308,285)	(154,846)	(25,324)	(340,000)
9 Accounts Payable	(123,869)	(94,123)	(176,066)	(150,270)	(491,176)	
10 Other Current Liabilities	(141,342)	542,707	(51,932)	(563,768)	548,848	
11 Net Cash From Operating Activities	<u>1,328,977</u>	<u>979,067</u>	<u>1,581,789</u>	<u>891,601</u>	<u>1,515,030</u>	<u>1,860,647</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(801,691)	(491,095)	(759,301)	(801,601)	(3,845,616)	(1,215,000)
13 Acquisition Of Other Non-Current Assets						
14 Investments In & Advances to Affiliates.						
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						1,628,703
21						
22						
23 Net Cash From Investing Activities	<u>(801,691)</u>	<u>(491,095)</u>	<u>(759,301)</u>	<u>(801,601)</u>	<u>(3,845,616)</u>	<u>413,703</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt	(3,500,000)	(3,000,000)	(479,818)	2,263,305	1,374,005	2,200,000
25 Common Stock						800,000
26 Preferred Stock					(811,361)	
27 Short-Term Debt		2,906,497	630,198			(2,845,000)
28 Dividends Paid	(619,270)	(565,519)	(954,021)	(455,488)		(495,000)
29 Other Cash Flows - Financing Activities	3,600,000	105,706		(2,099,728)		
30	(8,016)					
31						
32 Net Cash From Financing Activities	<u>(527,286)</u>	<u>(553,316)</u>	<u>(803,641)</u>	<u>(291,911)</u>	<u>562,644</u>	<u>(340,000)</u>
33 Net Increase/(Decrease) In Cash Equivalents		(65,344)	18,847	(201,911)	(1,767,942)	1,934,350
34 Cash & Cash Equivalents At Beginning Of Year	0	65,344	46,497	248,408	2,016,350	82,000
35 Cash & Cash Equivalents At End Of Year	\$0	\$0	\$65,344	\$46,497	\$248,408	\$2,016,350

NEW YORK-AMERICAN WATER COMPANY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$9,124,591	\$9,526,581	\$9,793,569	\$9,217,641	\$9,131,889	\$8,529,162	1
Sales to Other Water Companies						4,696	2
Other Sales of Water	1,182,421	1,241,993	1,292,544	1,221,423	1,154,114	1,160,601	3
Total Revenues from Sales of Water	10,307,012	10,768,574	11,086,113	10,439,064	10,286,003	9,694,459	4
Other Water Operating Revenues		(191)	(2,393)	8,127	5,678	3,880	5
Total Water Operating Revenues	\$10,307,012	\$10,768,383	\$11,083,720	\$10,447,191	\$10,291,681	\$9,698,339	6
WATER SALES (Thousands of Gallons)							
Sales to General Customers	1,925,721	1,974,582	2,025,219	1,978,959	2,113,253	1,997,279	8
Sales to Other Water Companies						113,361	9
Other Sales of Water	98,369	102,592	123,837	110,908	114,076	113,361	10
Total Sales of Water	2,024,090	2,077,174	2,149,056	2,089,867	2,227,329	2,110,640	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	11,718	11,969	11,690	11,643	11,461	11,368	13
Sales to Other Water Companies						351	14
Other Sales of Water	361	94	335	335	317	351	15
Total Customers	12,079	12,063	12,025	11,978	11,778	11,719	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$778.68	\$795.94	\$837.77	\$791.69	\$796.78	\$750.28	18
Average Consumption per Customer (T.Gal)	164.34	164.97	173.24	169.97	184.39	175.69	19
Average Revenue per T Gallons Sold	\$4.74	\$4.82	\$4.84	\$4.66	\$4.32	\$4.27	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$3,128,573	\$3,134,682	\$3,280,087	\$3,145,808	\$3,019,417	\$2,798,499	24
Power and Pumping	39,865	59,947	50,321	40,574	38,070	36,306	25
Purification	42,752	28,531	28,001	31,656	29,741	29,143	26
Transmission and Distribution	744,550	688,656	552,036	602,992	569,705	650,431	27
Customer Accounting and Collecting	193,923	500,383	172,267	290,751	319,713	311,393	28
Administrative and General	1,107,954	1,858,238	1,186,571	982,527	1,099,123	964,380	29
Total O & M Expense	\$5,257,617	\$6,270,437	\$5,269,283	\$5,094,308	\$5,075,769	\$4,790,152	30

**NEW YORK-AMERICAN WATER COMPANY
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$10,307,012	\$10,768,383	\$11,083,720	\$10,447,191	\$10,291,681	\$9,698,339
2 Sales (Thousands of Gallons)	2,024,090	2,077,174	2,149,056	2,089,867	2,227,329	2,110,640
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$3,154,053	\$3,153,865	\$3,310,139	\$3,172,360	\$3,042,297	\$2,827,512
4 Wages and Benefits	1,021,840	958,103	825,240	831,441	1,008,006	980,411
5 Other Operation and Maintenance Expense	1,081,724	2,158,469	1,133,904	1,090,507	1,025,467	982,229
6 Depreciation and Amortization Expense	556,558	555,318	551,962	527,515	495,908	448,490
7 Income Taxes-Operating	712,305	442,886	769,452	438,877	500,355	339,145
8 Other Taxes-Operating	2,363,674	2,469,184	2,352,322	2,405,646	2,358,365	2,567,615
9 Capital Costs	1,416,858	1,030,558	2,140,701	1,980,845	1,861,283	1,552,937
10 Total	\$10,307,012	\$10,768,383	\$11,083,720	\$10,447,191	\$10,291,681	\$9,698,339
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	30.6	29.3	29.9	30.4	29.6	29.2
12 Wages and Benefits	9.9	8.9	7.4	8.0	9.8	10.1
13 Other Operation and Maintenance Expense	10.5	20.0	10.2	10.4	10.0	10.1
14 Depreciation and Amortization Expense	5.4	5.2	5.0	5.0	4.8	4.6
15 Income Taxes-Operating	6.9	4.1	6.9	4.2	4.9	3.5
16 Other Taxes-Operating	22.9	22.9	21.2	23.0	22.9	26.5
17 Capital Costs	13.7	9.6	19.3	19.0	18.1	16.0
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	1.56	1.52	1.54	1.52	1.37	1.34
20 Wages and Benefits	0.50	0.46	0.38	0.40	0.45	0.46
21 Other Operation and Maintenance Expense	0.53	1.04	0.53	0.52	0.46	0.47
22 Depreciation and Amortization Expense	0.27	0.27	0.26	0.25	0.22	0.21
23 Income Taxes-Operating	0.35	0.21	0.36	0.21	0.22	0.16
24 Other Taxes-Operating	1.17	1.19	1.09	1.15	1.06	1.22
25 Capital Costs	0.70	0.50	1.00	0.95	0.84	0.74
26 Total	5.09	5.18	5.16	5.00	4.62	4.59

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water	3,121,980	3,113,475	3,271,845	3,138,467	3,010,811	2,798,419
Fuel for Pumping	32,073	40,390	38,294	33,893	31,486	29,093
Chemicals						

Total PW, Fuel and Chemicals 3,154,053 3,153,865 3,310,139 3,172,360 3,042,297 2,827,512

Total - Ultimate Customers 3,154,053 3,153,865 3,310,139 3,172,360 3,042,297 2,827,512

Wages and Benefits

Salaries	715,506	459,795	611,670	770,237	770,237	794,984
Pensions and Benefits	306,334	498,308	213,570	61,204	237,769	185,427
Total Wages and Benefits	1,021,840	958,103	825,240	831,441	1,008,006	980,411

Other Expenses

Total O&M Expenses	5,257,617	6,270,437	5,269,283	5,094,308	5,075,769	4,790,152
-Total PW, Fuel and Chemicals	3,154,053	3,153,865	3,310,139	3,172,360	3,042,297	2,827,512
-Wages and Benefits	1,021,840	958,103	825,240	831,441	1,008,006	980,411
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	1,081,724	2,158,469	1,133,904	1,090,507	1,025,467	982,229

Depreciation and Amortization

Depreciation Exp	556,558	555,318	551,962	527,515	495,908	448,490
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	556,558	555,318	551,962	527,515	495,908	448,490

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	3,154,053	3,153,865	3,310,139	3,172,360	3,042,297	2,827,512
divided by Total Gallons	2,024,090	2,077,174	2,149,056	2,089,867	2,227,329	2,110,640
Cost per KWH	0.0016	0.0015	0.0015	0.0015	0.0014	0.0013
times Sales for Resale MWHs						
Sales for Resale Cost						

NEW YORK-AMERICAN WATER COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible							1
Source of Supply	\$71,168	\$51,537	\$51,537	\$51,537	\$51,537	\$51,537	2
Pumping	1,351,875	1,318,638	1,271,674	1,275,174	1,275,174	1,275,174	3
Water Treatment			46,964				4
Transmission and Distribution	29,049,261	28,002,827	27,800,504	27,324,917	26,664,293	22,473,000	5
General	1,432,462	1,389,542	1,460,704	1,424,155	1,402,537	1,084,054	6
Purchased or Sold		50,598	50,598	50,598	50,598	50,598	7
Total Plant in Service	31,904,766	30,813,142	30,681,981	30,126,381	29,444,139	24,934,363	8
Plant Leased To Others							9
Construction Work In Progress	158,204	426,103	291,473	132,744	98,969	889,333	10
Plant Held For Future Use							11
Plant Acquisition Adjustments							12
Accum. Gains & Losses - Utility Land & Land Rights							13
Total Plant	32,062,970	31,239,245	30,973,454	30,259,125	29,543,108	25,823,696	14
Accum. Prov. - Depr. & Amort.	7,828,201	7,289,858	6,805,164	6,330,761	5,888,631	5,551,279	15
Net Plant	\$24,234,769	\$23,949,387	\$24,168,290	\$23,928,364	\$23,654,477	\$20,272,417	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	0.27	0.37	0.67	0.76	1.41	2.17	17
Total Capitalization	\$13,237,791	\$16,445,562	\$23,119,750	\$22,362,906	\$19,582,778	\$19,464,257	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt	50.1%	50.1%	50.1%	50.1%	57.2%	57.5%	19
Preferred Stock	4.5%	4.5%	4.5%	4.5%	5.1%	5.1%	20
Common Stock & Retained Earnings	35.3%	35.3%	35.3%	35.3%	37.7%	37.3%	21
Short-Term Debt	10.1%	10.1%	10.1%	10.1%			22
Pretax Coverage of Interest Expense	4.0	1.3	2.7	2.4	2.4	2.0	23
Com. Stock Dividends as a % of Earnings	74.2%	-193.8%	95.0%	40.8%	86.1%	76.8%	24
Return on Common Equity	11.3%	-3.8%	12.6%	12.1%	11.6%	8.0%	25
Internal Cash Generated as a % of Cash Outflows for Construction	165.8%	210.7%	212.5%	-111.2%	-39.4%		26
CWIP as a % of Plant	0.5%	1.4%	0.9%	0.4%	0.3%	3.4%	27
Number of Employees							28

NEW YORK WATER SERVICE CORP
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$35,961,993	\$35,894,841	\$33,450,933	\$32,966,378	\$33,110,990	\$33,134,831
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)						
3 Other Investments	7,936,511	11,084,991	12,027,935	25,498,318	25,581,379	19,212,790
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments	7,936,511	11,084,991	12,027,935	25,498,318	25,581,379	19,212,790
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	2,448,021	3,886,051	5,395,261	2,501,739	3,196,542	8,975,467
7 Notes and Accounts Receivables - Net	1,967,186	2,540,084	2,236,179	1,983,009	1,906,252	2,255,286
8 Receivables from Associated Companies	48,758		59,478	5,191,691	5,256,940	5,191,691
9 Materials and Supplies	338,871	318,040	345,945	386,483	435,092	337,711
10 Prepayments	700,054	776,401	856,585	711,501	566,445	434,987
11 Accrued Utility Revenue	1,163,987	1,272,637	1,316,041	1,091,242	1,106,339	1,182,600
12 Misc Current and Accrued Assets	138,596	190,367	219,795	227,163	245,584	121,458
13 Total Current and Accrued Assets	6,805,473	8,983,580	10,429,284	12,092,828	12,713,194	18,499,200
DEFERRED DEBITS						
14 Unamort. Debt Expense	734,451	798,233	846,640	332,076	367,182	402,288
15 Other Deferred Debits	1,368,019	1,263,629	1,574,857	1,837,165	1,415,284	1,384,746
16 Accumulated Deferred Income Taxes	729,769	899,046	320,500	793,800	806,800	1,191,100
17 Total Deferred Debits	2,832,239	2,960,908	2,741,997	2,963,041	2,589,266	2,978,134
18 Total Assets and Other Debits	\$53,536,216	\$58,924,320	\$58,650,149	\$73,520,565	\$73,994,829	\$73,824,955
PROPRIETARY CAPITAL						
19 Common Stock Issued	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470
20 Preferred Stock Issued						
21 Other Paid-in Capital	1,984,857	1,984,857	1,984,857	1,984,857	1,984,857	1,984,857
22 Retained Earnings	16,894,814	17,363,666	18,270,795	36,903,598	37,372,694	37,070,091
23 Reacquired Capital Stock						
24 Total Proprietary Capital	22,554,141	23,022,993	23,930,122	42,562,925	43,032,021	42,729,418
LONG-TERM DEBT						
25 Long-Term Debt	16,470,000	16,710,000	16,950,000	13,820,000	14,060,000	14,300,000
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable						
27 Accounts Payable	320,774	169,333	170,971	199,160	169,020	334,741
28 Payables to Associated Companies	48,303					
29 Customer Deposits	50,706	90,760	54,157	27,182	28,479	30,403
30 Taxes Accrued	(194,182)	1,906,442	820,940	1,114,872	3,628,200	4,449,541
31 Interest Accrued	419,302	518,329	222,917	506,093	473,341	529,317
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	175,605	137,976	173,735	172,746	159,317	137,013
34 Total Current and Accrued Liabilities	820,508	2,822,840	1,442,720	2,020,053	4,458,357	5,481,015
DEFERRED CREDITS						
35 Customer Advances for Construction			252,539	252,539	252,539	252,539
36 Other Deferred Credits	6,323,235	9,819,358	9,980,684	9,041,958	7,541,339	6,286,252
37 Accumulated Deferred Investment Tax Credits						
38 Accumulated Deferred Income Taxes	7,149,001	6,362,701	5,933,053	5,678,662	4,487,429	4,633,190
39 Total Deferred Credits	13,472,236	16,182,059	16,166,276	14,973,159	12,281,307	11,171,981
OPERATING RESERVES						
40 Operating Reserves	219,331	186,428	161,031	144,428	163,144	142,541
41 Total Liabilities and Other Credits	\$53,536,216	\$58,924,320	\$58,650,149	\$73,520,565	\$73,994,829	\$73,824,955

NEW YORK WATER SERVICE CORP
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$21,159,896	\$20,784,168	\$19,647,190	\$18,751,518	\$19,953,970	\$19,641,947	1
Operating Expense:							
Operation Expense	8,338,285	7,915,362	7,652,364	6,944,911	6,713,036	7,099,396	2
Maintenance Expense	1,233,355	1,261,753	1,258,738	1,246,731	1,187,331	1,359,959	3
Depreciation and Amortization Expense	1,454,088	1,340,018	1,247,439	1,253,881	1,224,603	1,193,234	4
Taxes Other than Income Taxes	5,929,416	5,912,127	5,585,387	5,855,196	6,175,178	6,180,485	5
Income Taxes	1,146,875	1,202,141	1,034,835	891,467	1,123,044	829,969	6
Total Operating Expenses	18,102,019	17,631,401	16,778,763	16,192,186	16,423,192	16,663,043	7
Net Operating Revenues	3,057,877	3,152,767	2,868,427	2,559,332	3,530,778	2,978,904	8
Other Utility Operating Income							9
Total Utility Operating Income	3,057,877	3,152,767	2,868,427	2,559,332	3,530,778	2,978,904	10
OTHER INCOME							
Interest and Dividend Income	321,998	379,428	365,196	381,045	511,550	398,627	11
Allowance for Funds Used During Construction	72,885	88,930	81,446	56,133	76,520	35,069	12
Miscellaneous Nonoperating Income	671,423	183,707	147,535	93,385	52,201	654,713	13
Other Income	(10,941)	(11,974)	(7,828)	(590)	(5,218)	2,129	14
Total Other Income	1,055,365	640,091	586,349	529,973	635,053	1,090,538	15
Other Income Deductions		9	4,392	4,392	4,392	5,237	16
Taxes-Other Income and Deductions	362,526	225,716	197,769	180,611	217,691	370,059	17
Income Available	3,750,716	3,567,133	3,252,615	2,904,302	3,943,748	3,694,146	18
INTEREST CHARGES							
Interest on Long-Term Debt	1,292,544	1,340,221	1,314,831	1,315,771	1,339,927	1,364,023	19
Interest on Debt to Associated Co.							20
Other Interest Expense	1,298	1,043	1,365	1,187	1,218	597	21
Total Interest Charges	1,293,842	1,341,264	1,316,196	1,316,958	1,341,145	1,364,620	22
Income Before Extraordinary Items	2,456,874	2,225,869	1,936,419	1,587,344	2,602,603	2,329,526	23
Net Extraordinary Items							24
Net Income 1	\$2,456,874	\$2,225,869	\$1,936,419	\$1,587,344	\$2,602,603	\$2,329,526	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$17,363,666	\$18,270,795	\$36,903,598	\$37,372,694	\$37,070,091	\$36,840,565	26
Balance Transferred from Income	2,456,874	2,225,869	1,936,419	1,587,344	2,602,603	2,329,526	27
Appropriated							28
Dividends Declared-Preferred Stock							29
Dividends Declared-Common Stock	3,375,000	3,000,000	19,708,425	1,500,000	2,300,000	2,100,000	30
Adjustments to Retained Earnings	449,274	(132,998)	(860,797)	(556,440)			31
Net Change	(468,852)	(907,129)	(18,632,803)	(469,096)	302,603	229,526	32
Unappropriated (EOP)	16,894,814	17,363,666	18,270,795	36,903,598	37,372,694	37,070,091	33
Appropriated (EOP)							34
Total Retained Earnings	\$16,894,814	\$17,363,666	\$18,270,795	\$36,903,598	\$37,372,694	\$37,070,091	35

Notes:

1 Net Income restated in 1998 to reflect elimination of \$10,721 extraordinary item, reported in error in 1998.

NEW YORK WATER SERVICE CORP
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$2,456,874	\$2,225,869	\$1,936,419	\$1,587,344	\$2,602,603	\$2,329,526
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	1,486,689	1,505,688	1,639,750	1,373,030	1,358,375	1,427,277
3 Deferred Taxes & ITCs	955,577	268,350	727,691	1,204,233	238,539	199,641
4 Receivables and Inventory	563,255	(397,589)	(282,893)	(96,573)	167,778	(162,601)
5 Payables and Accrued Expenses	(2,002,332)	1,380,120	(577,113)	(2,438,304)	(1,022,658)	3,102,131
6 Capitalized AFUDC - Equity Funds	(72,885)	(89,930)	(81,446)	(56,133)	(76,520)	(35,069)
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments	(3,211,428)	(127,567)	5,210,463	1,470,721	1,066,224	1,767,437
9						
10						
11 Net Cash From Operating Activities	<u>175,750</u>	<u>4,764,941</u>	<u>8,572,871</u>	<u>3,044,318</u>	<u>4,334,341</u>	<u>8,628,342</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(1,448,354)	(3,693,995)	(1,655,160)	(1,057,529)	(1,133,367)	(853,569)
13 Acquisition Of Other Non-Current Assets	(148,180)	(150,102)	(55,350)	(468,213)	(71,310)	47,949
14 Investments In & Advances to Affiliates						
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies			12,416,734			
18 Other Debt & Equity Investments	3,148,480	942,944	1,053,649	83,061	(6,368,589)	(30,609)
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						
21						
22						
23 Net Cash From Investing Activities	<u>1,551,946</u>	<u>(2,901,153)</u>	<u>11,759,873</u>	<u>(1,442,681)</u>	<u>(7,573,266)</u>	<u>(836,229)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt	(240,000)	(240,000)	3,130,000	(240,000)	(240,000)	(240,000)
25 Common Stock						
26 Preferred Stock						
27 Short-Term Debt						
28 Dividends Paid	(3,375,000)	(3,000,000)	(19,708,425)	(1,500,000)	(2,300,000)	(2,100,000)
29 Other Cash Flows - Financing Activities	449,274	(132,998)	(860,797)	(556,440)		
30						
31						
32 Net Cash From Financing Activities	<u>(3,165,726)</u>	<u>(3,372,998)</u>	<u>(17,439,222)</u>	<u>(2,296,440)</u>	<u>(2,540,000)</u>	<u>(2,340,000)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(1,438,030)	(1,509,210)	2,893,522	(694,803)	(5,778,925)	5,452,113
34 Cash & Cash Equivalents At Beginning Of Year	3,886,051	5,395,261	2,501,739	3,196,542	8,975,467	3,523,354
35 Cash & Cash Equivalents At End Of Year	\$2,448,021	\$3,886,051	\$5,395,261	\$2,501,739	\$3,196,542	\$8,975,467

NEW YORK WATER SERVICE CORP
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$17,553,909	\$17,296,489	\$18,068,182	\$17,185,928	\$18,379,710	\$18,057,308	1
Sales to Other Water Companies	2,074,520	1,935,525					2
Other Sales of Water	1,521,097	1,545,655	1,565,011	1,562,250	1,569,823	1,578,100	3
Total Revenues from Sales of Water	21,149,526	20,777,669	19,633,193	18,748,178	19,949,533	19,635,408	4
Other Water Operating Revenues	10,370	6,499	13,997	3,340	4,437	6,539	5
Total Water Operating Revenues	\$21,159,896	\$20,784,168	\$19,647,190	\$18,751,518	\$19,953,970	\$19,641,947	6
WATER SALES (Thousands of Gallons)							
Sales to General Customers	5,077,781	5,533,080	5,511,693	5,004,554	5,580,281	5,302,406	8
Sales to Other Water Companies							9
Other Sales of Water							10
Total Sales of Water	5,077,781	5,533,080	5,511,693	5,004,554	5,580,281	5,302,406	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	44,528	44,511	44,445	44,402	44,335	44,209	13
Sales to Other Water Companies							14
Other Sales of Water	236	226	219	215	205	201	15
Total Customers	44,764	44,737	44,664	44,617	44,540	44,410	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$394.22	\$388.59	\$406.53	\$387.05	\$414.56	\$408.45	18
Average Consumption per Customer (T.Gal)	114.04	124.31	124.01	112.71	125.87	119.94	19
Average Revenue per T Gallons Sold	\$3.46	\$3.13	\$3.28	\$3.43	\$3.29	\$3.41	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$42,676	\$81,267	\$89,213	\$75,130	\$49,884	\$47,371	24
Power and Pumping	1,391,204	1,462,264	1,318,944	1,258,177	1,321,388	1,368,576	25
Purification	833,986	788,407	884,890	724,529	699,396	728,882	26
Transmission and Distribution	1,279,194	1,102,863	1,243,772	1,177,867	1,102,340	1,161,131	27
Customer Accounting and Collecting	1,338,632	1,419,769	1,401,013	1,341,429	1,276,976	1,244,188	28
Administrative and General	4,685,948	4,322,545	3,973,270	3,614,510	3,450,383	3,909,207	29
Total O & M Expense	\$9,571,640	\$9,177,115	\$8,911,102	\$8,191,642	\$7,900,367	\$8,459,355	30

**NEW YORK WATER SERVICE CORP
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$21,159,896	\$20,784,168	\$19,647,190	\$18,751,518	\$19,953,970	\$19,641,947
2 Sales (Thousands of Gallons)	5,077,781	5,533,080	5,511,693	5,004,554	5,580,281	5,302,406
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$1,392,055	\$1,301,370	\$1,326,428	\$1,077,391	\$1,131,827	\$1,217,968
4 Wages and Benefits	6,274,398	6,112,926	6,168,335	5,804,581	5,344,664	3,507,941
5 Other Operation and Maintenance Expense	1,905,187	1,762,819	1,416,339	1,309,670	1,423,876	3,733,446
6 Depreciation and Amortization Expense	1,454,088	1,340,018	1,247,439	1,253,881	1,224,603	1,193,234
7 Income Taxes-Operating	1,146,875	1,202,141	1,034,835	891,467	1,123,044	829,969
8 Other Taxes-Operating	5,929,416	5,912,127	5,585,387	5,855,196	6,175,178	6,180,485
9 Capital Costs	3,057,877	3,152,767	2,868,427	2,559,332	3,530,778	2,978,904
10 Total	\$21,159,896	\$20,784,168	\$19,647,190	\$18,751,518	\$19,953,970	\$19,641,947
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	6.6	6.3	6.8	5.7	5.7	6.2
12 Wages and Benefits	29.7	29.4	31.4	31.0	26.8	17.9
13 Other Operation and Maintenance Expense	9.0	8.5	7.2	7.0	7.1	19.0
14 Depreciation and Amortization Expense	6.9	6.4	6.3	6.7	6.1	6.1
15 Income Taxes-Operating	5.4	5.8	5.3	4.8	5.6	4.2
16 Other Taxes-Operating	28.0	28.4	28.4	31.2	30.9	31.5
17 Capital Costs	14.5	15.2	14.6	13.6	17.7	15.2
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.27	0.24	0.24	0.22	0.20	0.23
20 Wages and Benefits	1.24	1.10	1.12	1.16	0.96	0.66
21 Other Operation and Maintenance Expense	0.38	0.32	0.26	0.26	0.26	0.70
22 Depreciation and Amortization Expense	0.29	0.24	0.23	0.25	0.22	0.23
23 Income Taxes-Operating	0.23	0.22	0.19	0.18	0.20	0.16
24 Other Taxes-Operating	1.17	1.07	1.01	1.17	1.11	1.17
25 Capital Costs	0.60	0.57	0.52	0.51	0.63	0.56
26 Total	4.17	3.76	3.56	3.75	3.58	3.70

**Purchased Water, Fuel or Power for Pumping
and Chemicals**

Purchased Water						
Fuel for Pumping	1,002,208	957,218	886,962	775,979	833,493	909,063
Chemicals	389,847	344,152	439,466	301,412	298,334	308,905

Total PW, Fuel and Chemicals 1,392,055 1,301,370 1,326,428 1,077,391 1,131,827 1,217,968

Total - Ultimate Customers 1,392,055 1,301,370 1,326,428 1,077,391 1,131,827 1,217,968

Wages and Benefits

Salaries	3,656,685	3,580,613	3,614,205	3,577,700	3,362,907	3,465,937
Pensions and Benefits	2,617,713	2,532,313	2,554,130	2,226,881	1,981,757	42,004
Total Wages and Benefits	6,274,398	6,112,926	6,168,335	5,804,581	5,344,664	3,507,941

Other Expenses

Total O&M Expenses	9,571,640	9,177,115	8,911,102	8,191,642	7,900,367	8,459,355
-Total PW, Fuel and Chemicals	1,392,055	1,301,370	1,326,428	1,077,391	1,131,827	1,217,968
-Wages and Benefits	6,274,398	6,112,926	6,168,335	5,804,581	5,344,664	3,507,941
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	1,905,187	1,762,819	1,416,339	1,309,670	1,423,876	3,733,446

Depreciation and Amortization

Depreciation Exp	1,454,088	1,340,018	1,247,439	1,253,881	1,224,603	1,193,234
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	1,454,088	1,340,018	1,247,439	1,253,881	1,224,603	1,193,234

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	1,392,055	1,301,370	1,326,428	1,077,391	1,131,827	1,217,968
divided by Total Gallons	5,077,781	5,533,080	5,511,693	5,004,554	5,580,281	5,302,406
Cost per KWH	0.0003	0.0002	0.0002	0.0002	0.0002	0.0002
times Sales for Resale MWHs						
Sales for Resale Cost						

NEW YORK WATER SERVICE CORP
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible	\$31,152	\$31,152	\$31,152	\$31,152	\$31,152	\$31,152	1
Source of Supply	2,035,976	2,035,976	2,035,976	2,036,194	2,036,194	2,075,331	2
Pumping	13,181,736	13,496,282	13,128,622	12,659,671	12,560,763	12,420,906	3
Water Treatment	6,230,156	5,944,160	2,059,499	2,059,499	1,843,417	1,869,629	4
Transmission and Distribution	33,893,892	33,199,648	33,118,025	32,572,777	31,939,062	31,428,982	5
General	2,996,185	2,840,097	2,699,414	2,714,845	2,550,076	2,515,132	6
Purchased or Sold							7
Total Plant in Service	58,369,097	57,547,315	53,072,688	52,074,138	50,960,664	50,341,132	8
Plant Leased To Others							9
Construction Work In Progress	140,281	425,078	1,189,739	531,693	560,937	486,233	10
Plant Held For Future Use							11
Plant Acquisition Adjustments			9	4,401	8,793	13,185	12
Accum. Gains & Losses - Utility Land & Land Rights							13
Total Plant	58,509,378	57,972,393	54,262,436	52,610,232	51,530,394	50,840,550	14
Accum. Prov. - Depr. & Amort.	22,547,385	22,077,552	20,811,503	19,643,854	18,419,404	17,705,719	15
	\$35,961,993	\$35,894,841	\$33,450,933	\$32,966,378	\$33,110,990	\$33,134,831	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	8.29	3.18	7.23	5.99	2.85	3.38	17
Total Capitalization	\$39,024,141	\$39,732,993	\$40,880,122	\$56,382,925	\$57,092,021	\$57,029,418	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt	42.2%	42.1%	41.5%	24.5%	24.6%	25.1%	19
Preferred Stock							20
Common Stock & Retained Earnings	57.8%	57.9%	58.5%	75.5%	75.4%	74.9%	21
Short-Term Debt							22
Pretax Coverage of Interest Expense	3.8	3.6	3.3	2.9	3.8	3.3	23
Com. Stock Dividends as a % of Earnings	137.4%	134.8%	1017.8%	94.5%	88.4%	90.1%	24
Return on Common Equity	10.8%	9.5%	5.8%	3.7%	6.1%	5.5%	25
Internal Cash Generated as a % of Cash Outflows for Construction	12.1%	129.0%	517.9%	-287.9%	-382.4%	-1010.9%	26
CWIP as a % of Plant	0.2%	0.7%	2.2%	1.0%	1.1%	1.0%	27
Number of Employees	62	64	66	67	66	66	28

**SEA CLIFF WATER COMPANY
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$5,603,567	\$5,291,446	\$4,911,256	\$4,893,985	\$4,651,683	\$4,487,599
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)						
3 Other Investments						
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments						
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	200	(3,790)	(7,709)	(22,100)	230,215	119,083
7 Notes and Accounts Receivables - Net	360,528	296,369	379,403	292,347	324,117	343,015
8 Receivables from Associated Companies	38,514	45,002	31,488	23,601	27,962	
9 Materials and Supplies	53,075	55,628	58,992	48,832	45,000	52,291
10 Prepayments	32,363	32,309	57,481	37,322	39,524	95,728
11 Accrued Utility Revenue	209,000	207,125	170,100	175,049	171,700	170,700
12 Misc Current and Accrued Assets	4,218					
13 Total Current and Accrued Assets	697,898	632,643	689,755	555,051	838,518	780,817
DEFERRED DEBITS						
14 Unamort. Debt Expense						
15 Other Deferred Debits	510,932	459,623	427,686	446,048	401,645	419,427
16 Accumulated Deferred Income Taxes						
17 Total Deferred Debits	510,932	459,623	427,686	446,048	401,645	419,427
18 Total Assets and Other Debits	\$6,812,397	\$6,383,712	\$6,028,697	\$5,895,084	\$5,891,846	\$5,687,843
PROPRIETARY CAPITAL						
19 Common Stock Issued	\$24,950	\$24,950	\$24,950	\$24,950	\$24,950	\$24,950
20 Preferred Stock Issued						
21 Other Paid-in Capital	319,496	319,496	319,496	319,496	319,496	319,496
22 Retained Earnings	2,645,570	2,600,674	2,513,654	2,434,296	2,405,297	2,341,355
23 Reacquired Capital Stock						
24 Total Proprietary Capital	2,990,016	2,945,120	2,858,100	2,778,742	2,749,743	2,685,801
LONG-TERM DEBT						
25 Long-Term Debt						
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable						
27 Accounts Payable	52,791	138,664	107,841	46,446	199,450	60,189
28 Payables to Associated Companies	2,200,000	1,600,000	1,500,000	1,600,000	1,600,000	1,630,706
29 Customer Deposits	10,500	10,500	15,135	8,135	8,135	8,135
30 Taxes Accrued	(7,437)	21,236	28,600	37,833	8,162	16,978
31 Interest Accrued	944	944	944	944	944	730
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	159,674	198,153	149,393	131,768	81,329	60,374
34 Total Current and Accrued Liabilities	2,416,472	1,969,497	1,801,913	1,825,126	1,898,020	1,777,112
DEFERRED CREDITS						
35 Customer Advances for Construction	108,081	140,161	140,161	140,161	140,161	140,161
36 Other Deferred Credits	222,156	244,262	170,851	138,253	138,052	148,921
37 Accumulated Deferred Investment Tax Credits	46,300	46,300	46,300	46,300	46,300	47,800
38 Accumulated Deferred Income Taxes	1,029,372	1,038,372	1,011,372	966,502	919,570	888,048
39 Total Deferred Credits	1,405,909	1,469,095	1,368,684	1,291,216	1,244,083	1,224,930
OPERATING RESERVES						
40 Operating Reserves						
41 Total Liabilities and Other Credits	\$6,812,397	\$6,383,712	\$6,028,697	\$5,895,084	\$5,891,846	\$5,687,843

SEA CLIFF WATER COMPANY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$2,078,333	\$2,243,752	\$2,163,043	\$2,037,544	\$2,188,318	\$2,032,609	1
Operating Expense:							
Operation Expense	776,979	768,756	696,850	629,763	694,106	584,422	2
Maintenance Expense	146,548	126,325	131,977	96,384	138,597	172,902	3
Depreciation and Amortization Expense	158,513	129,675	124,027	117,524	109,896	100,796	4
Taxes Other than Income Taxes	938,750	1,008,021	934,362	943,823	946,906	864,955	5
Income Taxes	55,810	90,300	75,700	59,000	72,091	70,509	6
Total Operating Expenses	2,076,600	2,123,077	1,962,916	1,846,494	1,961,596	1,793,584	7
Net Operating Revenues	1,733	120,675	200,127	191,050	226,722	239,025	8
Other Utility Operating Income							9
Total Utility Operating Income	1,733	120,675	200,127	191,050	226,722	239,025	10
OTHER INCOME							
Interest and Dividend Income				515		247	11
Allowance for Funds Used During Construction	20,480	1,236					12
Miscellaneous Nonoperating Income							13
Other Income	166,691	135,909	77,878	47,857	36,342	46,150	14
Total Other Income	187,171	137,145	77,878	48,372	36,342	46,397	15
Other Income Deductions		250	750	725	375	225	16
Taxes-Other Income and Deductions	38,190	36,796	29,300	18,000	12,229	15,851	17
Income Available	150,714	220,774	247,955	220,697	250,460	269,346	18
INTEREST CHARGES							
Interest on Long-Term Debt							19
Interest on Debt to Associated Co.	5,819	22,716	68,104	91,698	86,303	101,138	20
Other Interest Expense		11,038	493		215	241	21
Total Interest Charges	5,819	33,754	68,597	91,698	86,518	101,379	22
Income Before Extraordinary Items	144,895	187,020	179,358	128,999	163,942	167,967	23
Net Extraordinary Items							24
Net Income	\$144,895	\$187,020	\$179,358	\$128,999	\$163,942	\$167,967	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$2,600,674	\$2,513,654	\$2,434,296	\$2,405,297	\$2,341,355	\$2,273,388	26
Balance Transferred from Income	144,895	187,020	179,358	128,999	163,942	167,967	27
Appropriated							28
Dividends Declared-Preferred Stock							29
Dividends Declared-Common Stock	100,000	100,000	100,000	100,000	100,000	100,000	30
Adjustments to Retained Earnings							31
Net Change	44,895	87,020	79,358	28,999	63,942	67,967	32
Unappropriated (EOP)	2,645,569	2,600,674	2,513,654	2,434,296	2,405,297	2,341,355	33
Appropriated (EOP)							34
Total Retained Earnings	\$2,645,569	\$2,600,674	\$2,513,654	\$2,434,296	\$2,405,297	\$2,341,355	35

**SEA CLIFF WATER COMPANY
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$144,896	\$187,020	\$179,358	\$128,999	\$163,942	\$167,967
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	158,513	129,675	124,027	117,524	109,896	100,796
3 Deferred Taxes & ITCs	(10,000)	(4,937)	63,232	2,530	49,304	(9,775)
4 Receivables and Inventory	(61,036)	56,291	(69,876)	27,634	7,189	107,371
5 Payables and Accrued Expenses	(211,201)	140,996	109,385	(72,694)	139,245	42,547
6 Capitalized AFUDC - Equity Funds	(19,244)					
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments	(51,309)					
9	(6,663)	(6,918)	(22,391)	(3,045)	18,000	26,000
10	(54)	25,172	(20,159)	2,202	56,204	(17,258)
11 Net Cash From Operating Activities	<u>(56,098)</u>	<u>527,299</u>	<u>363,576</u>	<u>203,150</u>	<u>543,780</u>	<u>417,648</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(450,390)	(509,866)	(141,298)	(359,826)	(273,980)	(77,884)
13 Acquisition Of Other Non-Current Assets						1,419
14 Investments In & Advances to Affiliates.	6,488	(13,514)	(7,887)	4,361	(58,668)	
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						
21						
22						
23 Net Cash From Investing Activities	<u>(443,902)</u>	<u>(523,380)</u>	<u>(149,185)</u>	<u>(355,465)</u>	<u>(332,648)</u>	<u>(76,465)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt						
25 Common Stock						
26 Preferred Stock						
27 Short-Term Debt	600,000	100,000	(100,000)			(400,000)
28 Dividends Paid	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
29 Other Cash Flows - Financing Activities	3,990					
30						
31						
32 Net Cash From Financing Activities	<u>503,990</u>		<u>(200,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(500,000)</u>
33 Net Increase/(Decrease) In Cash Equivalents	3,990	3,919	14,391	(252,315)	111,132	(158,817)
34 Cash & Cash Equivalents At Beginning Of Year	(3,790)	(7,709)	(22,100)	230,215	119,083	277,900
35 Cash & Cash Equivalents At End Of Year	\$200	(\$3,790)	(\$7,709)	(\$22,100)	\$230,215	\$119,083

SEA CLIFF WATER COMPANY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$1,764,488	\$1,950,160	\$1,862,539	\$1,742,812	\$1,921,864	\$1,767,551	1
Sales to Other Water Companies							2
Other Sales of Water	284,761	281,082	287,895	285,046	266,454	265,058	3
Total Revenues from Sales of Water	2,049,249	2,231,242	2,150,434	2,027,858	2,188,318	2,032,609	4
Other Water Operating Revenues	29,084	12,510	12,609	9,686			5
							6
Total Water Operating Revenues	\$2,078,333	\$2,243,752	\$2,163,043	\$2,037,544	\$2,188,318	\$2,032,609	7
WATER SALES (Thousands of Gallons)							
Sales to General Customers	421,714	475,685	459,255	418,272	488,100	445,661	8
Sales to Other Water Companies				19,801			9
Other Sales of Water							10
							11
Total Sales of Water	421,714	475,685	459,255	438,073	488,100	445,661	12
AVG CUSTOMERS PER MONTH							
Sales to General Customers	4,303	4,320	4,332	4,341	4,322	4,319	13
Sales to Other Water Companies							14
Other Sales of Water	45	48	47	47	46	45	15
							16
Total Customers	4,348	4,368	4,379	4,388	4,368	4,364	17
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$410.06	\$451.43	\$429.95	\$401.48	\$444.67	\$409.25	18
Average Consumption per Customer (T.Gal)	98.00	110.11	106.01	96.35	112.93	103.19	19
Average Revenue per T Gallons Sold	\$4.18	\$4.10	\$4.06	\$4.17	\$3.94	\$3.97	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$14,464	\$8,375	\$14,055	\$9,458	\$18,004	\$15,473	24
Power and Pumping	146,429	138,326	154,274	129,629	145,445	108,700	25
Purification	102,657	110,827	108,941	85,083	113,562	96,264	26
Transmission and Distribution	143,692	150,170	107,233	93,173	118,729	162,805	27
Customer Accounting and Collecting	125,052	131,229	146,129	152,709	125,736	135,559	28
Administrative and General	391,232	356,154	298,195	256,095	311,227	238,523	29
Total O & M Expense	\$923,526	\$895,081	\$828,827	\$726,147	\$832,703	\$757,324	30

**SEA CLIFF WATER COMPANY
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$2,078,333	\$2,243,752	\$2,163,043	\$2,037,544	\$2,188,318	\$2,032,609
2 Sales (Thousands of Gallons)	421,714	475,685	459,255	438,073	488,100	445,661
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$146,173	\$153,678	\$144,259	\$116,825	\$153,143	\$119,213
4 Wages and Benefits	425,713	371,124	362,099	358,597	347,440	391,050
5 Other Operation and Maintenance Expense	923,526	895,081	828,827	250,725	332,120	247,061
6 Depreciation and Amortization Expense	158,513	129,675	124,027	117,524	109,896	100,796
7 Income Taxes-Operating	55,810	90,300	75,700	59,000	72,091	70,509
8 Other Taxes-Operating	938,750	1,008,021	934,362	943,823	946,906	864,955
9 Capital Costs	(570,152)	(404,126)	(306,231)	191,050	226,722	239,025
10 Total	\$2,078,333	\$2,243,752	\$2,163,043	\$2,037,544	\$2,188,318	\$2,032,609
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.0	6.8	6.7	5.7	7.0	5.9
12 Wages and Benefits	20.5	16.5	16.7	17.6	15.9	19.2
13 Other Operation and Maintenance Expense	44.4	39.9	38.3	12.3	15.2	12.2
14 Depreciation and Amortization Expense	7.6	5.8	5.7	5.8	5.0	5.0
15 Income Taxes-Operating	2.7	4.0	3.5	2.9	3.3	3.5
16 Other Taxes-Operating	45.2	44.9	43.2	46.3	43.3	42.6
17 Capital Costs	(27.4)	(18.0)	(14.2)	9.4	10.4	11.8
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.35	0.32	0.31	0.27	0.31	0.27
20 Wages and Benefits	1.01	0.78	0.79	0.82	0.71	0.88
21 Other Operation and Maintenance Expense	2.19	1.88	1.80	0.57	0.68	0.55
22 Depreciation and Amortization Expense	0.38	0.27	0.27	0.27	0.23	0.23
23 Income Taxes-Operating	0.13	0.19	0.16	0.13	0.15	0.16
24 Other Taxes-Operating	2.23	2.12	2.03	2.15	1.94	1.94
25 Capital Costs	-1.35	-0.85	-0.67	0.44	0.46	0.54
26 Total	4.93	4.72	4.71	4.65	4.48	4.56

**Purchased Water, Fuel or Power for Pumping
and Chemicals**

Purchased Water						
Fuel for Pumping	102,919	94,230	96,258	86,928	102,675	77,935
Chemicals	43,254	59,448	48,001	29,897	50,468	41,278
Total PW, Fuel and Chemicals	146,173	153,678	144,259	116,825	153,143	119,213
Total - Ultimate Customers						

Wages and Benefits

Salaries	297,884	283,286	277,275	267,992	258,210	312,308
Pensions and Benefits	127,829	87,837	84,824	90,605	89,230	78,742
Total Wages and Benefits	425,713	371,124	362,099	358,597	347,440	391,050

Other Expenses

Total O&M Expenses	923,526	895,081	828,827	726,147	832,703	757,324
-Total PW, Fuel and Chemicals	146,173	153,678	144,259	116,825	153,143	119,213
-Wages and Benefits	425,713	371,124	362,099	358,597	347,440	391,050

Other Expenses	351,640	370,280	322,469	250,725	332,120	247,061
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Depreciation and Amortization

Depreciation Exp	158,513	129,675	124,027	117,524	109,896	100,796
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	158,513	129,675	124,027	117,524	109,896	100,796

SEA CLIFF WATER COMPANY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible							1
Source of Supply	\$299,162	\$299,162	\$299,162	\$299,163	\$324,405	\$309,871	2
Pumping	968,726	518,212	517,748	510,328	664,018	677,153	3
Water Treatment	335,853	319,792	314,612	300,152	114,951	79,685	4
Transmission and Distribution	5,484,126	5,459,405	5,135,742	5,078,039	5,035,702	4,815,076	5
General	521,955	464,447	432,823	371,838	325,836	318,697	6
Purchased or Sold							7
Total Plant in Service	7,609,823	7,061,018	6,700,087	6,559,520	6,464,912	6,200,482	8
Plant Leased To Others							9
Construction Work In Progress	54,676	148,211			6,742		10
Plant Held For Future Use							11
Plant Acquisition Adjustments							12
Accum. Gains & Losses - Utility Land & Land Rights							13
Total Plant	7,664,499	7,209,229	6,700,087	6,559,520	6,471,654	6,200,482	14
Accum. Prov. - Depr. & Amort.	2,060,932	1,917,783	1,788,831	1,665,535	1,819,971	1,712,884	15
Net Plant	\$5,603,567	\$5,291,446	\$4,911,256	\$4,893,985	\$4,651,683	\$4,487,598	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	0.29	0.32	0.38	0.30	0.44	0.44	17
Total Capitalization	\$2,990,016	\$2,945,120	\$2,858,100	\$2,778,742	\$2,749,743	\$2,685,801	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt							19
Preferred Stock							20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	21
Short-Term Debt							22
Pretax Coverage of Interest Expense	35.5	9.2	4.7	3.1	3.7	3.4	23
Com. Stock Dividends as a % of Earnings	69.0%	114.9%	55.8%	77.5%	61.0%	59.5%	24
Return on Common Equity	4.9%	3.0%	6.4%	4.7%	6.0%	6.3%	25
Internal Cash Generated as a % of Cash Outflows for Construction	-1.1%	103.4%	257.3%	-56.5%	-198.5%	-536.2%	26
CWIP as a % of Plant	0.7%				0.1%		27
Number of Employees	6	6	6	7	7	7	28

**UNITED WATER NEW ROCHELLE
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$64,146,157	\$62,248,545	\$56,644,844	\$52,023,125	\$49,087,973	\$46,942,381
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)						
3 Other Investments						
4 Sinking Funds and Other Special Funds						
5 Total Other Property and Investments						
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	76,795	170,780	97,718	44,543	29,041	134,518
7 Notes and Accounts Receivables - Net	2,252,786	1,887,503	2,674,757	1,384,027	1,656,950	2,105,697
8 Receivables from Associated Companies						
9 Materials and Supplies	328,594	321,855	459,779	283,200	262,910	244,471
10 Prepayments	2,362,457	3,074,124	2,872,046	2,463,105	1,688,668	1,291,389
11 Accrued Utility Revenue	1,950,444	3,086,459	2,131,959	2,306,856	1,781,282	1,370,500
12 Misc Current and Accrued Assets						
13 Total Current and Accrued Assets	6,971,075	8,540,721	8,236,259	6,481,731	5,418,851	5,146,575
DEFERRED DEBITS						
14 Unamort. Debt Expense						
15 Other Deferred Debits	14,252,530	10,772,165	9,273,690	6,716,611	6,456,611	6,953,279
16 Accumulated Deferred Income Taxes	1,236,729	1,413,541	795,409	141,775	206,213	23,634
17 Total Deferred Debits	15,489,259	12,185,706	10,069,099	6,858,386	6,662,824	6,976,913
18 Total Assets and Other Debits	\$86,606,491	\$82,974,972	\$74,950,202	\$65,363,243	\$61,169,648	\$59,065,869
PROPRIETARY CAPITAL						
19 Common Stock Issued	50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued						
21 Other Paid-in Capital	22,886,250	21,886,250	17,830,250	15,377,250	14,550,250	13,297,024
22 Retained Earnings	37,436,374	35,273,641	35,678,478	33,853,108	32,514,584	31,332,804
23 Reacquired Capital Stock						
24 Total Proprietary Capital	60,372,624	57,209,891	53,558,728	49,280,358	47,114,834	44,679,828
LONG-TERM DEBT						
25 Long-Term Debt						
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable						
27 Accounts Payable	708,863	221,134	522,526	215,757	373,326	1,158,713
28 Payables to Associated Companies						439,190
29 Customer Deposits	5,805	41,728	21,160	21,221	18,650	15,764
30 Taxes Accrued	(343,375)	165,268	(35,455)	(127,031)	248,392	109,977
31 Interest Accrued						
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	3,457,058	3,080,628	2,446,631	1,646,604	2,300,807	2,102,993
34 Total Current and Accrued Liabilities	3,828,350	3,508,758	2,954,862	1,756,551	2,941,175	3,826,637
DEFERRED CREDITS						
35 Customer Advances for Construction	958,582	1,496,718	2,536,193	2,336,059	1,140,451	1,051,989
36 Other Deferred Credits	2,534,409	3,859,959	3,651,906	2,174,030	576,438	469,252
37 Accumulated Deferred Investment Tax Credits	608,932	625,624	642,317	659,008	675,700	692,404
38 Accumulated Deferred Income Taxes	15,863,349	13,276,956	11,606,196	9,157,218	8,721,050	8,345,759
39 Total Deferred Credits	19,965,271	19,259,257	18,436,612	14,326,315	11,113,639	10,559,404
OPERATING RESERVES						
40 Operating Reserves	2,440,245	2,997,066				
41 Total Liabilities and Other Credits	\$86,606,491	\$82,974,972	\$74,950,202	\$65,363,224	\$61,169,648	\$59,065,869

UNITED WATER NEW ROCHELLE
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$20,631,279	\$21,061,553	\$20,897,761	\$19,561,134	\$19,949,862	\$18,552,445	1
Operating Expense:							
Operation Expense	8,320,847	8,982,765	8,856,867	8,626,600	8,403,009	7,461,468	2
Maintenance Expense	910,354	667,392	673,681	843,304	874,680	883,025	3
Depreciation and Amortization Expense	1,691,412	1,702,677	1,580,238	1,628,467	1,653,727	1,350,757	4
Taxes Other than Income Taxes	5,298,091	5,694,375	5,451,130	5,115,981	5,604,869	5,447,580	5
Income Taxes	972,180	939,678	1,068,103	480,683	659,803	571,415	6
Total Operating Expenses	17,192,884	17,986,887	17,630,019	16,695,035	17,196,088	15,714,245	7
Net Operating Revenues	3,438,395	3,074,666	3,267,742	2,866,099	2,753,774	2,838,200	8
Other Utility Operating Income							9
Total Utility Operating Income	3,438,395	3,074,666	3,267,742	2,866,099	2,753,774	2,838,200	10
OTHER INCOME							
Interest and Dividend Income	89,262	212,775	182,193	245,513	1,550	102,188	11
Allowance for Funds Used During Construction	594,338	566,099	483,863	433,044	270,967	307,406	12
Miscellaneous Nonoperating Income	1,916	64,527	27,398	1,558			13
Other Income	37,676	(748)	(31,206)	(46,497)	17,938	(6,012)	14
Total Other Income	723,191	842,653	662,248	633,618	290,455	403,582	15
Other Income Deductions		23,791	1,741	143,767	10,332	2,679	16
Taxes-Other Income and Deductions	1,786	23	(626)	587			17
Income Available	4,159,800	3,893,505	3,928,875	3,355,363	3,033,897	3,239,103	18
INTEREST CHARGES							
Interest on Long-Term Debt							19
Interest on Debt to Associated Co.	2,172,405	2,261,417	2,069,436	2,006,621	1,849,596	1,789,045	20
Other Interest Expense	186,596	88,832	34,068	10,219	2,521	1,098	21
Total Interest Charges	2,359,001	2,350,249	2,103,504	2,016,840	1,852,117	1,790,143	22
Income Before Extraordinary Items	1,800,799	1,543,256	1,825,371	1,338,523	1,181,780	1,448,960	23
Net Extraordinary Items							24
Net Income	\$1,800,799	\$1,543,256	\$1,825,371	\$1,338,523	\$1,181,780	\$1,448,960	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$35,273,641	\$35,678,478	\$33,853,108	\$32,514,584	\$31,332,804	\$29,883,844	26
Balance Transferred from Income	1,800,799	1,543,256	1,825,370	1,338,524	1,181,780	1,448,960	27
Appropriated							28
Dividends Declared-Preferred Stock							29
Dividends Declared-Common Stock							30
Adjustments to Retained Earnings	361,934	(1,948,093)					31
Net Change	2,162,733	(404,837)	1,825,370	1,338,524	1,181,780	1,448,960	32
Unappropriated (EOP)	37,436,374	35,273,641	35,678,478	33,853,108	32,514,584	31,332,804	33
Appropriated (EOP)							34
Total Retained Earnings	\$37,436,374	\$35,273,641	\$35,678,478	\$33,853,108	\$32,514,584	\$31,332,804	35

**UNITED WATER NEW ROCHELLE
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$1,800,799	\$1,543,256	\$1,825,372	\$1,338,524	\$1,181,780	\$1,448,960
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	1,669,308	1,680,573	1,569,174	1,628,467	1,653,727	1,350,757
3 Deferred Taxes & ITCs	2,551,625	2,084,908	1,778,653	483,914	176,008	857,990
4 Receivables and Inventory	(372,022)	925,178	(1,467,309)	252,633	430,308	(811,965)
5 Payables and Accrued Expenses	864,159	332,605	1,106,796	209,916	(587,573)	1,067,755
6 Capitalized AFUDC - Equity Funds	(594,338)	(566,099)	(483,863)	(433,044)	(270,967)	(307,406)
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments	1,136,015	(954,500)	174,897	(525,574)	(410,782)	649,005
9	(508,643)	200,723	91,576	(375,423)	138,415	(126,811)
10	(4,875,861)	(2,718,962)	(1,495,626)	532,091	90,368	(935,508)
11 Net Cash From Operating Activities	<u>1,671,042</u>	<u>2,527,682</u>	<u>3,099,670</u>	<u>3,111,504</u>	<u>2,401,284</u>	<u>3,192,777</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(2,765,027)	(6,510,620)	(5,499,475)	(3,923,020)	(3,320,797)	(4,087,099)
13 Acquisition Of Other Non-Current Assets						
14 Investments In & Advances to Affiliates.						
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities						
21						
22						
23 Net Cash From Investing Activities	<u>(2,765,027)</u>	<u>(6,510,620)</u>	<u>(5,499,475)</u>	<u>(3,923,020)</u>	<u>(3,320,797)</u>	<u>(4,087,099)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt					(439,190)	(263,310)
25 Common Stock	1,000,000	4,056,000	2,453,000	827,000	1,253,226	1,204,103
26 Preferred Stock						
27 Short-Term Debt						
28 Dividends Paid						
29 Other Cash Flows - Financing Activities						(23,550)
30						
31						
32 Net Cash From Financing Activities	<u>1,000,000</u>	<u>4,056,000</u>	<u>2,453,000</u>	<u>827,000</u>	<u>814,036</u>	<u>917,243</u>
33 Net Increase/(Decrease) In Cash Equivalents	(93,985)	73,062	53,195	15,484	(105,477)	22,921
34 Cash & Cash Equivalents At Beginning Of Year	170,782	97,720	44,525	29,041	134,518	111,597
35 Cash & Cash Equivalents At End Of Year	\$76,797	\$170,782	\$97,720	\$44,525	\$29,041	\$134,518

Notes:

1 Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER NEW ROCHELLE
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$18,064,530	\$17,555,085	\$18,905,920	\$16,560,104	\$18,053,653	\$16,752,564	1
Sales to Other Water Companies	1,961,212	1,914,229	1,963,090	171,563	192,516	179,201	3
Other Sales of Water	343,692	321,507	351,270	2,040,543	2,050,952	2,030,048	4
Total Revenues from Sales of Water	20,369,434	19,790,821	21,220,280	18,772,210	20,297,121	18,961,813	5
Other Water Operating Revenues	261,846	1,270,732	(322,518)	788,925	(347,259)	(409,368)	6
Total Water Operating Revenues	\$20,631,280	\$21,061,553	\$20,897,762	\$19,561,135	\$19,949,862	\$18,552,445	7
WATER SALES (Thousands of Gallons)							
Sales to General Customers	5,461,723	5,290,945	5,818,777	5,088,282	5,880,261	5,648,177	8
Sales to Other Water Companies	183,970	98,266	98,694	91,490	105,936	109,427	9
Other Sales of Water	116,647	114,696	120,574	117,435	118,176	141,641	10
Total Sales of Water	5,762,340	5,503,907	6,038,045	5,297,207	6,104,373	5,899,245	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	30,159	30,023	29,942	29,796	29,758	29,602	13
Sales to Other Water Companies	2	2	2	3	2	1	14
Other Sales of Water	701	667	672	643	621	640	15
Total Customers	30,862	30,692	30,616	30,442	30,381	30,243	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$598.98	\$584.72	\$631.42	\$555.78	\$606.68	\$565.93	18
Average Consumption per Customer (T.Gal)	181.10	176.23	194.33	170.77	197.60	190.80	19
Average Revenue per T Gallons Sold	\$3.31	\$3.32	\$3.25	\$3.25	\$3.07	\$2.97	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	\$2,862,672	\$3,121,474	\$3,376,047	\$2,950,214	\$2,724,201	\$2,216,063	24
Power and Pumping	1,207,043	1,197,183	1,431,653	1,277,862	1,195,740	1,155,525	25
Purification	268,944	269,099	274,489	275,398	263,434	346,084	26
Transmission and Distribution	1,530,551	1,244,485	1,254,838	1,402,143	1,578,010	1,508,906	27
Customer Accounting and Collecting	894,614	1,026,827	952,917	1,044,456	1,073,090	875,125	28
Administrative and General	2,467,377	2,790,699	2,240,604	2,519,831	2,443,214	2,240,115	29
Total O & M Expense	\$9,231,201	\$9,649,767	\$9,530,549	\$9,469,904	\$9,277,689	\$8,341,818	30

**UNITED WATER NEW ROCHELLE
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$20,631,280	\$21,061,553	\$20,897,762	\$19,561,134	\$19,949,862	\$18,552,445
2 Sales (Thousands of Gallons)	5,762,340	5,503,907	6,038,045	5,297,207	6,104,373	5,899,245
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$3,613,487	\$3,858,068	\$4,348,074	\$3,813,359	\$3,452,267	\$2,967,535
4 Wages and Benefits	2,641,436	2,937,000	2,720,846	2,733,507	2,874,660	2,866,474
5 Other Operation and Maintenance Expense	2,976,279	2,854,699	2,461,629	2,923,038	2,950,762	2,510,484
6 Depreciation and Amortization Expense	1,669,308	1,680,573	1,569,174	1,628,467	1,653,727	1,350,757
7 Income Taxes-Operating	972,180	939,678	1,068,103	480,683	659,803	571,415
8 Other Taxes-Operating	5,298,091	5,694,375	5,451,130	5,115,981	5,604,869	5,447,580
9 Capital Costs	3,460,499	3,097,160	3,278,806	2,866,099	2,753,774	2,838,200
10 Total	\$20,631,280	\$21,061,553	\$20,897,762	\$19,561,134	\$19,949,862	\$18,552,445
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	17.5	18.3	20.8	19.5	17.3	16.0
12 Wages and Benefits	12.8	13.9	13.0	14.0	14.4	15.5
13 Other Operation and Maintenance Expense	14.4	13.6	11.8	14.9	14.8	13.5
14 Depreciation and Amortization Expense	8.1	8.0	7.5	8.3	8.3	7.3
15 Income Taxes-Operating	4.7	4.5	5.1	2.5	3.3	3.1
16 Other Taxes-Operating	25.7	27.0	26.1	26.2	28.1	29.4
17 Capital Costs	16.8	14.7	15.7	14.7	13.8	15.3
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.63	0.70	0.72	0.72	0.57	0.50
20 Wages and Benefits	0.46	0.53	0.45	0.52	0.47	0.49
21 Other Operation and Maintenance Expense	0.52	0.52	0.41	0.55	0.48	0.43
22 Depreciation and Amortization Expense	0.29	0.31	0.26	0.31	0.27	0.23
23 Income Taxes-Operating	0.17	0.17	0.18	0.09	0.11	0.10
24 Other Taxes-Operating	0.92	1.03	0.90	0.97	0.92	0.92
25 Capital Costs	0.60	0.56	0.54	0.54	0.45	0.48
26 Total	3.58	3.83	3.46	3.69	3.27	3.14

**Purchased Water, Fuel or Power for Pumping
and Chemicals**

Purchased Water	2,802,200	3,070,297	3,342,287	2,935,903	2,703,133	2,177,814
Fuel for Pumping	706,081	684,539	890,201	773,633	663,600	630,463
Chemicals	105,205	103,232	115,585	103,823	85,534	159,258

Total PW, Fuel and Chemicals	3,613,487	3,858,068	4,348,074	3,813,359	3,452,267	2,967,535
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Total - Ultimate Customers	3,613,487	3,858,068	4,348,074	3,813,359	3,452,267	2,967,535
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Wages and Benefits

Salaries	2,214,178	2,112,893	2,159,573	2,384,679	2,690,665	2,628,910
Pensions and Benefits	427,258	824,108	561,273	348,828	183,995	237,564
Total Wages and Benefits	2,641,436	2,937,000	2,720,846	2,733,507	2,874,660	2,866,474

Other Expenses

Total O&M Expenses	9,231,201	9,649,767	9,530,549	9,469,904	9,277,689	8,344,493
-Total PW, Fuel and Chemicals	3,613,487	3,858,068	4,348,074	3,813,359	3,452,267	2,967,535
-Wages and Benefits	2,641,436	2,937,000	2,720,846	2,733,507	2,874,660	2,866,474
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	2,976,279	2,854,699	2,461,629	2,923,038	2,950,762	2,510,484

Depreciation and Amortization

Depreciation Exp	1,691,412	1,702,677	1,580,238	1,628,467	1,653,727	1,350,757
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						
Total Depre and Amort	1,691,412	1,702,677	1,580,238	1,628,467	1,653,727	1,350,757

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	3,613,487	3,858,068	4,348,074	3,813,359	3,452,267	2,967,535
divided by Total Gallons	5,762,340	5,503,907	6,038,045	5,297,207	6,104,373	5,899,245
Cost per KWH	0.0006	0.0007	0.0007	0.0007	0.0006	0.0005
times Sales for Resale MWHs						
Sales for Resale Cost						

**UNITED WATER NEW ROCHELLE
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible	\$47,428	\$47,428	\$43,578	\$43,578	\$47,428	\$47,428	1
Source of Supply	244,548	244,548	244,548	248,211	248,211	248,902	2
Pumping	2,605,219	2,588,471	2,565,701	2,586,737	2,558,100	2,516,026	3
Water Treatment	1,110,499	1,098,854	1,104,328	1,025,479	1,046,355	1,070,971	4
Transmission and Distribution	64,298,397	62,164,088	57,897,802	52,874,511	49,581,738	47,059,240	5
General	4,897,042	5,293,546	5,683,986	5,603,890	6,022,040	5,845,780	6
Purchased or Sold							7
Total Plant in Service	73,203,132	71,436,935	67,539,943	62,382,406	59,503,872	56,788,347	8
Plant Leased To Others							9
Construction Work In Progress	7,029,301	6,303,444	5,446,564	5,142,334	4,488,491	3,965,701	10
Plant Held For Future Use							11
Plant Acquisition Adjustments							12
Accum. Gains & Losses - Utility Land & Land Rights	(90,846)	(90,846)	(90,846)	(90,846)	(90,846)	(90,846)	13
Total Plant	80,141,587	77,649,533	72,895,661	67,433,894	63,901,517	60,663,202	14
Accum. Prov. - Depr. & Amort.	15,995,430	15,400,987	16,250,818	15,410,769	14,813,544	13,720,821	15
Net Plant	\$64,146,157	\$62,248,546	\$56,644,843	\$52,023,125	\$49,087,973	\$46,942,381	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	1.82	2.43	2.79	3.69	1.84	1.34	17
Total Capitalization	\$60,372,624	\$57,209,891	\$53,558,728	\$49,280,358	\$47,114,834	\$44,679,828	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt							19
Preferred Stock							20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	21
Short-Term Debt							22
Pretax Coverage of Interest Expense	2.2	2.1	2.4	1.9	2.0	2.1	23
Com. Stock Dividends as a % of Earnings							24
Return on Common Equity	3.1%	2.8%	3.5%	2.8%	2.6%	3.3%	25
Internal Cash Generated as a % of Cash Outflows for Construction	60.4%	38.8%	56.4%	-79.3%	-72.3%	-78.1%	26
CWIP as a % of Plant	8.8%	8.1%	7.5%	7.6%	7.0%	6.5%	27
Number of Employees	43	54	52	57	60	64	28

**UNITED WATER NEW YORK
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Net Utility Plant	\$169,558,655	\$154,860,386	\$150,728,395	\$145,733,901	\$140,881,399
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)		662	662	662	662
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments		662	662	662	662
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	(766,201)	1,048,675	54,455	1,013,221	2,339,159
7 Notes and Accounts Receivables - Net	3,781,428	3,090,941	4,194,606	3,430,330	3,490,620
8 Receivables from Associated Companies	40	1,129	23,665	14,362	7,979
9 Materials and Supplies	901,431	898,761	677,495	719,041	845,168
10 Prepayments	14,239,601	14,831,946	13,886,021	12,442,648	10,436,493
11 Accrued Utility Revenue					
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	18,156,299	19,871,452	18,836,242	17,619,602	17,119,419
DEFERRED DEBITS					
14 Unamort. Debt Expense	3,138,708	3,292,104	3,445,500	3,601,155	3,759,075
15 Other Deferred Debits	12,506,800	12,537,322	10,577,981	11,275,351	10,955,585
16 Accumulated Deferred Income Taxes	9,432,367	9,024,167	6,595,164	5,753,770	5,293,198
17 Total Deferred Debits	25,077,875	24,853,593	20,618,645	20,630,276	20,007,858
18 Total Assets and Other Debits	\$212,792,829	\$199,586,093	\$190,183,944	\$183,984,441	\$178,009,338
PROPRIETARY CAPITAL					
19 Common Stock Issued	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490
20 Preferred Stock Issued				5,862,500	6,375,000
21 Other Paid-in Capital	16,874,603	11,874,603	11,874,603	6,546,082	6,546,082
22 Retained Earnings	40,536,360	37,364,778	36,648,337	34,111,070	33,181,143
23 Reacquired Capital Stock					
24 Total Proprietary Capital	71,267,453	63,095,871	62,379,430	60,376,142	59,958,715
LONG-TERM DEBT					
25 Long-Term Debt	51,000,000	51,000,000	51,000,000	51,300,000	51,600,000
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable	29,000,000	25,000,000	23,000,000	26,500,000	25,200,000
27 Accounts Payable	2,501,525	3,198,535	2,141,442	1,798,189	1,384,675
28 Payables to Associated Companies					
29 Customer Deposits	122,411	124,720	129,214	138,483	163,326
30 Taxes Accrued	(454,353)	1,973,512	1,738,310	(549,117)	(940,505)
31 Interest Accrued	1,311,912	1,313,275	1,340,912	1,407,742	1,352,130
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	111,115	202,607	66,320	36,215	226,592
34 Total Current and Accrued Liabilities	32,592,610	31,812,649	28,416,198	29,331,512	27,386,218
DEFERRED CREDITS					
35 Customer Advances for Construction	4,754,400	5,377,497	7,793,365	6,669,624	6,631,067
36 Other Deferred Credits	14,211,448	14,370,680	13,195,583	10,194,529	6,965,089
37 Accumulated Deferred Investment Tax Credits	863,703	883,203	903,003	922,803	942,553
38 Accumulated Deferred Income Taxes	34,956,142	29,951,661	25,932,313	24,751,779	24,154,643
39 Total Deferred Credits	54,785,693	50,583,041	47,824,264	42,538,734	38,693,352
OPERATING RESERVES					
40 Operating Reserves	3,147,073	3,094,532	564,053	438,053	371,053
41 Total Liabilities and Other Credits	\$212,792,829	\$199,586,093	\$190,183,944	\$183,984,441	\$178,009,338

UNITED WATER NEW YORK
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
UTILITY OPERATING INCOME						
Operating Revenues	\$43,501,221	\$43,114,999	\$44,925,646	\$44,435,872	\$44,000,133	1
Operating Expense:						
Operation Expense	13,654,862	13,685,561	12,836,752	13,199,860	13,066,004	2
Maintenance Expense	2,132,286	2,642,232	2,466,481	2,829,603	2,442,158	3
Depreciation and Amortization Expense	4,761,919	4,476,947	4,331,562	4,171,524	4,012,959	4
Taxes Other than Income Taxes	9,641,516	8,939,510	10,798,065	11,514,314	12,010,368	5
Income Taxes	3,787,864	3,794,273	3,978,126	2,900,000	2,756,686	6
Total Operating Expenses	33,978,447	33,538,523	34,410,986	34,615,301	34,288,175	7
Net Operating Revenues	9,522,774	9,576,476	10,514,660	9,820,571	9,711,958	8
Other Utility Operating Income						9
Total Utility Operating Income	9,522,774	9,576,476	10,514,660	9,820,571	9,711,958	10
OTHER INCOME						
Interest and Dividend Income	521,273	420,984	435,752	288,469	109,666	11
Allowance for Funds Used During Construction	890,345	244,694	173,516	54,565	199,829	12
Miscellaneous Nonoperating Income	228,666	121,050	86,979	66,048	5,500	13
Other Income						14
Total Other Income	1,640,284	786,728	696,247	409,082	314,995	15
Other Income Deductions	181,772	295,072	31,024	417,312	26,250	16
Taxes-Other Income and Deductions	3,136	689	5,710	1,035	(7,435)	17
Income Available	10,978,150	10,067,443	11,174,173	9,811,306	10,008,138	18
INTEREST CHARGES						
Interest on Long-Term Debt	3,591,996	3,591,996	3,608,318	3,638,708	3,666,881	19
Interest on Debt to Associated Co.						20
Other Interest Expense	1,669,746	1,521,670	1,995,817	2,261,650	1,585,680	21
Total Interest Charges	5,261,742	5,113,666	5,604,135	5,900,358	5,252,561	22
Income Before Extraordinary Items	5,716,408	4,953,777	5,570,038	3,910,948	4,755,577	23
Net Extraordinary Items						24
Net Income	\$5,716,408	\$4,953,777	\$5,570,038	\$3,910,948	\$4,755,577	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$37,364,778	\$36,648,337	\$34,111,070	\$33,181,143	\$31,354,837	26
Balance Transferred from Income	5,716,408	4,953,777	5,570,038	3,910,948	4,755,577	27
Appropriated						28
Dividends Declared-Preferred Stock			532,771	581,021	629,271	29
Dividends Declared-Common Stock	2,600,000	2,600,000	2,500,000	2,400,000	2,300,000	30
Adjustments to Retained Earnings	55,174	(1,637,336)				31
Net Change	3,171,582	716,441	2,537,267	929,927	1,826,306	32
Unappropriated (EOP)	40,536,360	37,364,778	36,648,337	34,111,070	33,181,143	33
Appropriated (EOP)						34
Total Retained Earnings	\$40,536,360	\$37,364,778	\$36,648,337	\$34,111,070	\$33,181,143	35

**UNITED WATER NEW YORK
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
Cash Flows From Operating Activities					
1 Net Income	\$5,716,408	\$4,953,777	\$5,570,038	\$3,910,948	\$4,755,577
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	4,961,549	2,984,067	4,478,277	4,320,504	4,166,124
3 Deferred Taxes & ITCs	7,262,450	(1,115,124)	319,340	116,814	1,425,351
4 Receivables and Inventory	(692,068)	904,935	(732,033)	180,034	16,492
5 Payables and Accrued Expenses	(792,174)	1,161,250	297,258	253,906	(893,252)
6 Capitalized AFUDC - Equity Funds	(890,345)	(244,694)	(173,516)	(54,565)	(199,829)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	30,522	(1,959,341)	697,370	(319,766)	1,802
9	(2,844,901)	3,860,766	3,001,054	3,229,440	1,686,038
10	(1,782,979)	1,819,756	970,054	(1,547,767)	(1,696,028)
11 Net Cash From Operating Activities	<u>10,968,462</u>	<u>12,365,392</u>	<u>14,427,842</u>	<u>10,089,548</u>	<u>9,262,275</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(18,560,241)	(8,355,304)	(9,143,600)	(8,960,521)	(7,181,171)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(18,560,241)</u>	<u>(8,355,304)</u>	<u>(9,143,600)</u>	<u>(8,960,521)</u>	<u>(7,181,171)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	4,376,903	(2,415,868)	6,152,263	(261,444)	(1,313,052)
25 Common Stock					
26 Preferred Stock			(5,862,500)	(512,500)	(512,500)
27 Short-Term Debt	4,000,000	2,000,000	(3,500,000)	1,300,000	2,500,000
28 Dividends Paid	(2,600,000)	(2,600,000)	(3,032,771)	(2,981,021)	(2,929,271)
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>5,776,903</u>	<u>(3,015,868)</u>	<u>(6,243,008)</u>	<u>(2,454,965)</u>	<u>(2,254,823)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(1,814,876)	994,220	(958,766)	(1,325,938)	(173,719)
34 Cash & Cash Equivalents At Beginning Of Year	1,048,675	54,455	1,013,221	2,339,159	2,512,878
35 Cash & Cash Equivalents At End Of Year	(\$766,201)	\$1,048,675	\$54,455	\$1,013,221	\$2,339,159

UNITED WATER NEW YORK
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$36,615,751	\$35,245,501	\$39,283,152	\$37,032,163	\$38,272,756	1
Sales to Other Water Companies					79,543	2
Other Sales of Water	4,815,240	4,736,325	4,799,408	4,577,605	4,503,384	3
Total Revenues from Sales of Water	41,430,991	39,981,826	44,082,560	41,609,768	42,855,683	4
Other Water Operating Revenues*	2,070,230	3,133,173	843,086	2,826,104	1,144,450	5
Total Water Operating Revenues	\$43,501,221	\$43,114,999	\$44,925,646	\$44,435,872	\$44,000,133	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	8,526,911	8,236,290	9,039,941	8,687,342	8,994,293	8
Sales to Other Water Companies					34,398	9
Other Sales of Water	60,716	67,722	87,756	74,836	63,873	10
Total Sales of Water	8,587,627	8,304,012	9,127,697	8,762,178	9,092,564	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	67,703	67,105	66,420	65,834	64,678	13
Sales to Other Water Companies				1	1	14
Other Sales of Water	1,036	996	973	921	941	15
Total Customers	68,739	68,101	67,393	66,756	65,620	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$540.83	\$525.23	\$591.44	\$562.51	\$591.74	18
Average Consumption per Customer (T.Gal)	125.95	122.74	136.10	131.96	139.06	19
Average Revenue per T Gallons Sold	\$4.29	\$4.28	\$4.35	\$4.26	\$4.26	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$536,401	\$852,359	\$817,877	\$848,217	\$773,215	24
Power and Pumping	3,332,709	2,774,184	3,418,532	2,903,919	2,809,966	25
Purification	1,939,196	1,611,250	1,462,469	1,325,115	1,471,556	26
Transmission and Distribution	2,901,582	3,042,566	3,122,215	3,491,384	3,274,328	27
Customer Accounting and Collecting	2,148,981	2,287,560	2,327,244	2,350,543	2,283,801	28
Administrative and General	4,928,279	5,759,874	4,154,895	5,110,285	4,895,296	29
Total O & M Expense	\$15,787,148	\$16,327,793	\$15,303,232	\$16,029,463	\$15,508,162	30

**UNITED WATER NEW YORK
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Revenues	\$43,501,221	\$43,114,999	\$44,925,646	\$44,435,872	\$44,000,133
2 Sales (Thousands of Gallons)	8,587,627	8,304,012	9,127,697	8,762,178	9,092,564
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$2,977,558	\$2,480,059	\$3,188,951	\$2,613,572	\$2,430,288
4 Wages and Benefits	5,508,434	5,801,586	4,991,155	5,666,002	5,397,371
5 Other Operation and Maintenance Expense	7,301,156	8,046,148	7,123,126	7,749,889	7,680,503
6 Depreciation and Amortization Expense	4,761,919	4,476,947	4,478,277	4,171,524	4,012,959
7 Income Taxes-Operating	3,787,864	3,794,273	3,978,126	2,900,000	2,756,686
8 Other Taxes-Operating	9,641,516	8,939,510	10,798,065	11,514,314	12,010,368
9 Capital Costs	9,522,774	9,576,476	10,367,946	9,820,571	9,711,958
10 Total	\$43,501,221	\$43,114,999	\$44,925,646	\$44,435,872	\$44,000,133
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	6.8	5.8	7.1	5.9	5.5
12 Wages and Benefits	12.7	13.5	11.1	12.8	12.3
13 Other Operation and Maintenance Expense	16.8	18.7	15.9	17.4	17.5
14 Depreciation and Amortization Expense	10.9	10.4	10.0	9.4	9.1
15 Income Taxes-Operating	8.7	8.8	8.9	6.5	6.3
16 Other Taxes-Operating	22.2	20.7	24.0	25.9	27.3
17 Capital Costs	21.9	22.2	23.1	22.1	22.1
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.35	0.30	0.35	0.30	0.27
20 Wages and Benefits	0.64	0.70	0.55	0.65	0.59
21 Other Operation and Maintenance Expense	0.85	0.97	0.78	0.88	0.84
22 Depreciation and Amortization Expense	0.55	0.54	0.49	0.48	0.44
23 Income Taxes-Operating	0.44	0.46	0.44	0.33	0.30
24 Other Taxes-Operating	1.12	1.08	1.18	1.31	1.32
25 Capital Costs	1.11	1.15	1.14	1.12	1.07
26 Total	5.07	5.19	4.92	5.07	4.84

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water	143,425	185,138	188,855	177,550	187,550
Fuel for Pumping	2,511,475	1,920,286	2,620,300	2,106,345	1,897,233
Chemicals	322,658	374,635	379,796	329,677	345,505

Total PW, Fuel and Chemicals 2,977,558 2,480,059 3,188,951 2,613,572 2,430,288

Total - Ultimate Customers 2,977,558 2,480,059 3,188,951 2,613,572 2,430,288

Wages and Benefits

Salaries	4,477,468	4,462,708	4,292,837	4,877,248	4,908,152
Pensions and Benefits	1,030,966	1,338,878	698,318	788,754	489,219
Total Wages and Benefits	5,508,434	5,801,586	4,991,155	5,666,002	5,397,371

Other Expenses

Total O&M Expenses	15,787,148	16,327,793	15,303,232	16,029,463	15,508,162
-Total PW, Fuel and Chemicals	2,977,558	2,480,059	3,188,951	2,613,572	2,430,288
-Wages and Benefits	5,508,434	5,801,586	4,991,155	5,666,002	5,397,371
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	7,301,156	8,046,148	7,123,126	7,749,889	7,680,503

Depreciation and Amortization

Depreciation Exp	4,761,919	4,476,947	4,331,562	4,171,524	4,012,959
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	4,761,919	4,476,947	4,331,562	4,171,524	4,012,959

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	2,977,558	2,480,059	3,188,951	2,613,572	2,430,288
divided by Total Gallons	8,587,627	8,304,012	9,127,697	8,762,178	9,092,564
Cost per Gallon	0.0003	0.0003	0.0003	0.0003	0.0003

UNITED WATER NEW YORK
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$80,005	\$80,005	\$80,005	\$80,005	\$80,005	1
Source of Supply	23,808,184	17,362,308	17,263,810	17,284,588	17,127,942	2
Pumping	18,003,221	17,686,677	17,740,315	17,147,038	17,095,526	3
Water Treatment	22,961,330	12,404,878	10,705,375	7,692,175	7,487,653	4
Transmission and Distribution	135,827,065	130,626,487	129,157,293	124,994,531	117,585,983	5
General	17,290,816	16,777,450	16,015,182	15,693,625	15,156,169	6
Purchased or Sold						7
Plant In Service	217,970,621	194,937,805	190,961,980	182,891,962	174,533,278	8
Plant Leased To Others						9
Construction Work In Progress	1,607,514	7,361,944	3,317,651	2,939,449	3,704,545	10
Plant Held For Future Use	8,749,983	8,892,667	8,892,667	8,892,667	8,892,667	11
Plant Acquisition Adjustments	1,001,391	1,001,391	(178,017)	(178,017)	1,001,392	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179,408)	(1,179,408)			(1,179,408)	13
Total Plant	228,150,101	211,014,399	202,994,281	194,546,061	186,952,474	14
Accum. Prov. - Depr. & Amort.	58,591,446	56,154,013	52,265,886	48,812,159	46,071,075	15
Net Plant	\$169,558,655	\$154,860,386	\$150,728,395	\$145,733,902	\$140,881,399	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.56	0.62	0.66	0.60	0.63	17
Total Capitalization	\$151,267,453	\$139,095,871	\$136,379,430	\$138,176,142	\$136,758,715	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	33.7%	36.7%	37.4%	37.1%	37.7%	19
Preferred Stock				4.2%	4.7%	20
Common Stock & Retained Earnings	47.1%	45.4%	45.7%	39.5%	39.2%	21
Short-Term Debt	19.2%	18.0%	16.9%	19.2%	18.4%	22
Pretax Coverage of Interest Expense	2.8	2.8	2.7	2.2	2.4	23
Com. Stock Dividends as a % of Earnings	45.5%	52.5%	60.2%	72.1%	55.7%	24
Return on Common Equity	8.5%	7.9%	8.6%	6.2%	7.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	59.1%	148.0%	157.8%	-112.6%	-129.0%	26
CWIP as a % of Plant	0.7%	3.5%	1.6%	1.5%	2.0%	27
Number of Employees	90	95	97	98	104	28

UNITED WATER OWEGO
COMPARATIVE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998
UTILITY PLANT						
1 Net Utility Plant	\$2,453,732	\$2,295,147	\$2,044,155	\$1,933,294	\$1,783,849	\$1,760,620
OTHER PROPERTY AND INVESTMENTS						
2 Nonutility Property (Net)						
3 Other Investments	330,072	335,163	214,567	210,687	178,187	178,187
4 Sinking Funds and Other Special Funds					46,886	52,916
5 Total Other Property and Investments	330,072	335,163	214,567	210,687	225,073	231,103
CURRENT AND ACCRUED ASSETS						
6 Cash and Cash Equivalents	71,202	32,842	7,445	65,998	443,552	355,132
7 Notes and Accounts Receivables - Net	63,033	19,997	73,365	96,870	54,034	104,632
8 Receivables from Associated Companies						
9 Materials and Supplies	20,882	20,910	18,477	21,407	22,521	24,250
10 Prepayments	(213,445)	(134,725)	(105,453)	103,763	106,259	90,742
11 Accrued Utility Revenue	88,461	118,212	87,233	113,450	121,327	117,901
12 Misc Current and Accrued Assets						
13 Total Current and Accrued Assets	30,133	57,236	81,067	401,488	747,693	692,657
DEFERRED DEBITS						
14 Unamort. Debt Expense						
15 Other Deferred Debits	84,089	166,545	442,461	146,737	175,488	383,190
16 Accumulated Deferred Income Taxes	89,642	103,941	13,288	13,312	14,460	15,596
17 Total Deferred Debits	173,731	270,486	455,749	160,049	189,948	398,786
18 Total Assets and Other Debits	\$2,987,668	\$2,958,032	\$2,795,538	\$2,705,518	\$2,946,563	\$3,083,166
PROPRIETARY CAPITAL						
19 Common Stock Issued	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600
20 Preferred Stock Issued						
21 Other Paid-in Capital	1,211,181	1,211,181	892,181	892,181	892,181	892,181
22 Retained Earnings	469,619	785,733	1,093,789	1,125,691	1,524,401	1,604,439
23 Reacquired Capital Stock						
24 Total Proprietary Capital	1,714,400	2,030,514	2,019,570	2,051,472	2,450,182	2,530,220
LONG-TERM DEBT						
25 Long-Term Debt						
CURRENT AND ACCRUED LIABILITIES						
26 Notes Payable						
27 Accounts Payable	185,409	14,426	49,715	11,626	23,626	8,200
28 Payables to Associated Companies						
29 Customer Deposits				28	28	28
30 Taxes Accrued	55,311	(90,195)	(3,320)	6,149	(26,468)	(54,599)
31 Interest Accrued						
32 Matured Long-Term Debt						
33 Misc Current and Accrued Liabilities	31,331	25,991	15,978	15,792	12,839	101,515
34 Total Current and Accrued Liabilities	272,051	(49,777)	62,373	33,595	10,025	55,144
DEFERRED CREDITS						
35 Customer Advances for Construction	198,591	1,000		88,973		11,800
36 Other Deferred Credits	193,494	309,756	328,233	167,822	138,768	21,060
37 Accumulated Deferred Investment Tax Credits	19,563	20,271	20,979	21,687	22,395	23,103
38 Accumulated Deferred Income Taxes	390,044	404,741	360,384	337,971	315,288	431,934
39 Total Deferred Credits	801,692	735,768	709,596	616,453	476,451	487,897
OPERATING RESERVES						
40 Operating Reserves	199,525	241,527	3,998	3,998	9,905	9,905
41 Total Liabilities and Other Credits	\$2,987,668	\$2,958,032	\$2,795,537	\$2,705,518	\$2,946,563	\$3,083,166

UNITED WATER OWEGO
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
UTILITY OPERATING INCOME							
Operating Revenues	\$935,048	\$946,972	\$846,304	\$957,471	\$954,947	\$803,509	1
Operating Expense:							
Operation Expense	469,432	813,266	485,237	496,685	573,455	454,464	2
Maintenance Expense	78,963	76,430	65,008	85,111	73,018	69,771	3
Depreciation and Amortization Expense	93,597	75,116	59,227	57,105	55,273	50,881	4
Taxes Other than Income Taxes	215,201	234,007	218,074	198,238	237,760	234,216	5
Income Taxes	2,645	(122,215)	(12,459)	28,112	(24,463)	(41,719)	6
Total Operating Expenses	859,837	1,076,605	815,087	865,251	915,043	767,613	7
Net Operating Revenues	75,210	(129,633)	31,217	92,220	39,904	35,896	8
Other Utility Operating Income							9
Total Utility Operating Income	75,210	(129,633)	31,217	92,220	39,904	35,896	10
OTHER INCOME							
Interest and Dividend Income	2,591	7,545	7,067	11,334	73	5,260	11
Allowance for Funds Used During Construction		5,302	120				12
Miscellaneous Nonoperating Income		822	361	5,088			13
Other Income			308		158	216	14
Total Other Income	2,591	13,669	7,856	16,422	231	5,476	15
Other Income Deductions		420					16
Taxes-Other Income and Deductions	92	92	(25)	85	(526)		17
Income Available	77,709	(116,476)	39,098	108,557	40,661	41,372	18
INTEREST CHARGES							
Interest on Long-Term Debt							19
Interest on Debt to Associated Co.	63,058	80,192	74,435	92,633	87,615	92,094	20
Other Interest Expense	2,975	2,591	444	248	54	148	21
Total Interest Charges	66,033	82,783	74,879	92,881	87,669	92,242	22
Income Before Extraordinary Items	11,676	(199,259)	(35,781)	15,676	(47,008)	(50,870)	23
Net Extraordinary Items							24
Net Income	\$11,676	(\$199,259)	(\$35,781)	\$15,676	(\$47,008)	(\$50,870)	25
RETAINED EARNINGS							
Unappropriated (Beginning)	\$785,732	\$1,093,789	\$1,125,691	\$1,524,401	\$1,605,162	\$1,694,874	26
Balance Transferred from Income	11,676	(199,259)	(35,781)	15,676	(47,008)	(50,870)	27
Appropriated							28
Dividends Declared-Preferred Stock							29
Dividends Declared-Common Stock	350,000			400,000	35,000	35,000	30
Adjustments to Retained Earnings	22,211	(108,798)	3,879	(14,386)	1,247	(3,842)	31
Net Change	(316,113)	(308,057)	(31,902)	(398,710)	(80,761)	(89,712)	32
Unappropriated (EOP)	469,619	785,732	1,093,789	1,125,691	1,524,401	1,605,162	33
Appropriated (EOP)							34
Total Retained Earnings	\$469,619	\$785,732	\$1,093,789	\$1,125,691	\$1,524,401	\$1,605,162	35

**UNITED WATER OWEGO
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
Cash Flows From Operating Activities						
1 Net Income	\$11,676	(\$199,259)	(\$35,781)	\$15,676	(\$47,008)	(\$50,870)
Adjustments to reconcile net income to net cash provided by operating activities:						
2 Depreciation, Depletion & Amortization	141,827	412,125	59,227	57,105	55,273	50,881
3 Deferred Taxes & ITCs	18,760	(22,019)	21,729	23,123	(116,218)	195,881
4 Receivables and Inventory	(42,592)	50,934	26,434	(41,721)	52,327	(31,923)
5 Payables and Accrued Expenses	176,323	(25,276)	38,275	(9,047)	15,131	2,333
6 Capitalized AFUDC - Equity Funds						
7 Equity In Loss (Earnings) Of Affiliates						
8 Other Adjustments						(11,935)
9	29,751	(30,979)	26,217	7,877	(3,426)	(59,192)
10	304,797	(83,325)	(21,967)	175,884	235,877	(220,344)
11 Net Cash From Operating Activities	<u>640,542</u>	<u>102,202</u>	<u>114,134</u>	<u>228,897</u>	<u>191,956</u>	<u>(125,169)</u>
Cash Flows From Investing Activities						
12 Cash Outflows For Construction	(252,182)	(320,805)	(170,088)	(206,550)	(78,502)	(108,948)
13 Acquisition Of Other Non-Current Assets						
14 Investments In & Advances to Affiliates.		(75,000)	(3,879)	14,386	6,030	5,320
15 Contributions & Advances from Affiliates						
Net Proceeds - Sale Or Disposition Of:						
16 Property, Plant & Equipment						
17 Investments in Affiliated Companies						
18 Other Debt & Equity Investments						
19 Other Non-Current Assets						
20 Other Cash Flows - Investing Activities				(14,386)	1,970	2,180
21			3,879			
22 Reduction in Working Funds				100		
23 Net Cash From Investing Activities	<u>(252,182)</u>	<u>(395,805)</u>	<u>(170,088)</u>	<u>(206,450)</u>	<u>(70,502)</u>	<u>(101,448)</u>
Cash Flows From Financing Activities						
Net Proceeds (Payments) - Issuing & Retiring:						
24 Long-Term Debt						
25 Common Stock						
26 Preferred Stock						
27 Short-Term Debt						
28 Dividends Paid				(400,000)	(35,000)	(35,000)
29 Other Cash Flows - Financing Activities	(350,000)	319,000	(2,600)		1,966	(8,366)
30						
31						
32 Net Cash From Financing Activities	<u>(350,000)</u>	<u>319,000</u>	<u>(2,600)</u>	<u>(400,000)</u>	<u>(33,034)</u>	<u>(43,366)</u>
33 Net Increase/(Decrease) In Cash Equivalents	38,360	25,397	(58,554)	(377,553)	88,420	(269,983)
34 Cash & Cash Equivalents At Beginning Of Year	32,842	7,445	65,999	443,552	355,132	625,115
35 Cash & Cash Equivalents At End Of Year ¹	\$71,201	\$32,842	\$7,445	\$65,999	\$443,552	\$355,132

¹ Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER OWEGO
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998	
SALES AND CUSTOMER DATA							
REVENUES							
Sales to General Customers	\$760,205	\$781,502	\$732,871	\$836,533	\$828,062	\$694,876	1
Sales to Other Water Companies	47,873	48,274	42,790	39,752	34,963	33,737	2
Other Sales of Water	151,435	81,186	91,219	83,781	82,635	57,609	3
Total Revenues from Sales of Water	959,513	910,963	866,880	960,066	945,660	786,222	4
Other Water Operating Revenues	(24,465)	36,009	(20,576)	(2,595)	9,287	17,287	5
Total Water Operating Revenues	\$935,048	\$946,972	\$846,304	\$957,471	\$954,947	\$803,509	6
WATER SALES (Thousands of Gallons)							
Sales to General Customers	428,106	433,375	403,554	351,045	470,824	346,305	8
Sales to Other Water Companies	34,758	35,103	34,372	35,759	37,129	33,136	9
Other Sales of Water	8,512	6,212	6,653	10,112	21,053	8,103	10
Total Sales of Water	471,376	474,690	444,579	396,916	529,006	387,544	11
AVG CUSTOMERS PER MONTH							
Sales to General Customers	1,381	1,376	1,380	1,405	1,356	1,388	13
Sales to Other Water Companies	2	2	2	3	2	2	14
Other Sales of Water	58	57	56	27	55	54	15
Total Customers	1,441	1,435	1,438	1,435	1,413	1,444	16
OPERATING REVENUE RELATIONSHIP							
METERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	\$550.47	\$567.95	\$531.07	\$595.40	\$610.67	\$500.63	18
Average Consumption per Customer (T.Gal)	310.00	314.95	292.43	249.85	347.22	249.50	19
Average Revenue per T Gallons Sold	\$1.78	\$1.80	\$1.82	\$2.38	\$1.76	\$2.01	20
UNMETERED GENERAL CUSTOMERS							
Average Annual Bill per Customer	---	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES							
Source of Supply	7,163	\$6,851	\$8,440	\$11,602	\$8,010	\$3,167	24
Power and Pumping	148,920	129,588	150,526	143,205	126,690	121,029	25
Purification	25,906	24,979	22,272	31,846	30,693	30,075	26
Transmission and Distribution	92,644	88,807	79,758	84,363	91,851	71,550	27
Customer Accounting and Collecting	51,042	63,613	51,827	55,930	60,878	50,823	28
Administrative and General	222,719	575,859	237,421	254,847	328,351	247,592	29
Total O & M Expense	\$548,395	\$889,696	\$550,245	\$581,795	\$646,473	\$524,236	30

**UNITED WATER OWEGO
DISTRIBUTION OF REVENUES
FOR THE YEAR ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999	1998
1 Revenues	\$935,048	\$946,972	\$846,304	\$957,471	\$954,947	\$803,509
2 Sales (Thousands of Gallons)	471,376	474,690	444,579	396,916	529,006	387,544
DOLLAR AMOUNTS						
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$115,017	\$90,311	\$118,267	\$108,285	\$97,495	\$94,950
4 Wages and Benefits	205,760	511,650	192,947	219,021	282,173	181,399
5 Other Operation and Maintenance Expense	227,618	287,735	239,031	254,489	266,805	247,887
6 Depreciation and Amortization Expense	93,597	75,116	59,227	57,105	55,273	50,881
7 Income Taxes-Operating	2,645	(122,215)	(12,459)	28,112	(24,463)	(41,719)
8 Other Taxes-Operating	215,201	234,007	218,074	198,238	237,760	234,216
9 Capital Costs	75,211	(129,633)	31,217	92,221	39,904	35,895
10 Total	\$935,048	\$946,972	\$846,304	\$957,471	\$954,947	\$803,509
PERCENT OF REVENUES						
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	12.3	9.5	14.0	11.3	10.2	11.8
12 Wages and Benefits	22.0	54.0	22.8	22.9	29.5	22.6
13 Other Operation and Maintenance Expense	24.3	30.4	28.2	26.6	27.9	30.9
14 Depreciation and Amortization Expense	10.0	7.9	7.0	6.0	5.8	6.3
15 Income Taxes-Operating	0.3	(12.9)	(1.5)	2.9	(2.6)	(5.2)
16 Other Taxes-Operating	23.0	24.7	25.8	20.7	24.9	29.1
17 Capital Costs	8.0	(13.7)	3.7	9.6	4.2	4.5
18 Total	100.0	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD						
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.24	0.19	0.27	0.27	0.18	0.25
20 Wages and Benefits	0.44	1.08	0.43	0.55	0.53	0.47
21 Other Operation and Maintenance Expense	0.48	0.61	0.54	0.64	0.50	0.64
22 Depreciation and Amortization Expense	0.20	0.16	0.13	0.14	0.10	0.13
23 Income Taxes-Operating	0.01	-0.26	-0.03	0.07	-0.05	-0.11
24 Other Taxes-Operating	0.46	0.49	0.49	0.50	0.45	0.60
25 Capital Costs	0.16	-0.27	0.07	0.23	0.08	0.09
26 Total	1.98	1.99	1.90	2.41	1.81	2.07

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water						
Fuel for Pumping	111,078	86,684	114,653	105,341	93,859	90,839
Chemicals	3,939	3,627	3,614	2,944	3,636	4,111

Total PW, Fuel and Chemicals 115,017 90,311 118,267 108,285 97,495 94,950

Total - Ultimate Customers 115,017 90,311 118,267 108,285 97,495 94,950

Wages and Benefits

Salaries	152,381	145,860	131,466	153,470	179,787	155,900
Pensions and Benefits	53,379	365,790	61,481	65,551	102,386	25,499
Total Wages and Benefits	205,760	511,650	192,947	219,021	282,173	181,399

Other Expenses

Total O&M Expenses	548,395	889,696	550,245	581,795	646,473	524,236
-Total PW, Fuel and Chemicals	115,017	90,311	118,267	108,285	97,495	94,950
-Wages and Benefits	205,760	511,650	192,947	219,021	282,173	181,399
-Other Gains						
+Other Losses						
-Other Revenues						
Other Expenses	227,618	287,735	239,031	254,489	266,805	247,887

Depreciation and Amortization

Depreciation Exp	93,597	75,116	59,227	57,105	55,273	50,881
Amort of Utility Plant						
Amort of Other Utility Plant						
Amort of Property Losses						

Total Depre and Amort 93,597 75,116 59,227 57,105 55,273 50,881

Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)

Total PW, Fuel and Chemicals	115,017	90,311	118,267	108,285	97,495	94,950
divided by Total Gallons	471,376	474,690	444,579	396,916	529,006	387,544
Cost per KWH	0.0002	0.0002	0.0003	0.0003	0.0002	0.0002
times Sales for Resale MWHs						
Sales for Resale Cost						

UNITED WATER OWEGO
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	1998	
WATER UTILITY PLANT							
Plant in Service							
Intangible	\$1,162	\$1,162	\$1,162	\$1,162	\$1,162	\$1,162	1
Source of Supply	52,867	52,867	54,249	54,249	53,927	53,927	2
Pumping	438,682	438,782	405,452	405,453	386,664	386,664	3
Water Treatment	131,659	122,623	32,777	32,777	28,899	28,899	4
Transmission and Distribution	2,129,631	2,102,469	1,982,290	1,983,613	1,834,868	1,791,282	5
General	582,043	583,658	401,854	387,411	417,494	397,676	6
Purchased or Sold							7
Total Plant in Service	3,336,044	3,301,561	2,877,784	2,864,665	2,723,014	2,659,610	8
Plant Leased To Others							9
Construction Work In Progress	225,341	8,581	170,988	27,521	40,805	27,370	10
Plant Held For Future Use							11
Plant Acquisition Adjustments							12
Accum. Gains & Losses - Utility Land & Land Rights	(11,393)	(11,393)	(11,393)	(11,393)	(11,393)	(11,393)	13
Total Plant	3,549,993	3,298,749	3,037,379	2,880,793	2,752,426	2,675,587	14
Accum. Prov. - Depr. & Amort.	1,096,261	1,003,602	993,224	947,498	969,411	914,886	15
Net Plant	\$2,453,732	\$2,295,147	\$2,044,155	\$1,933,295	\$1,783,015	\$1,760,701	16
SELECTED RATIOS AND STATISTICS							
Current Assets / Current Liabilities	0.11	(1.15)	1.30	11.95	74.58	12.56	17
Total Capitalization	\$1,714,400	\$2,030,514	\$2,019,570	\$2,051,472	\$2,450,182	\$2,530,220	18
<u>Percent Of Capitalization (incl S-T Debt)</u>							
Long-Term Debt							19
Preferred Stock							20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	21
Short-Term Debt							22
Pretax Coverage of Interest Expense	1.2	(2.9)	0.4	1.5	0.2	(0.0)	23
Com. Stock Dividends as a % of Earnings	2997.6%			2551.7%	-74.5%	-68.8%	24
Return on Common Equity	0.6%	-9.8%	-1.8%	0.7%	-1.9%	-2.0%	25
Internal Cash Generated as a % of Cash Outflows for Construction	-254.0%	-31.9%	-67.1%	110.8%	244.5%	-114.9%	26
CWIP as a % of Plant	6.3%	0.3%	5.6%	1.0%	1.5%	1.0%	27
Number of Employees	5	5	5	5	5	6	28