

Instructions

Do not include this sheet in the Annual Report you send to the Commission

General Information

This is the excel file which makes up the annual report. The file is called WATERAR.XLS and contains general corporate information, financial statements, and various financial and operating data.

The pages in WATERAR.XLS are separated by Tabs. The names of the Tabs are arranged by page number. The Table of Contents in the file (Tab called Schedules) provides the Description of each Schedule and Page Number of the Schedule.

The file includes a tab called a Data Sheet. The completion of the Data Sheet will automatically transfer your company's name and year of the report to each page of the annual report. The file has not been protected. Therefore, please refrain from inserting or deleting rows or columns.

We have checked the accuracy of the formulas and cell references in the file. However, all corrections may not have been made. If you feel that certain formulas or cell references in the file are incorrect, make the correction and describe the change on the Table of Contents under the column called "Remarks".

It is not required for you to input the data in this excel file for the following schedules: Important Changes During the Year, Notes to the Financial Statements, General Description of Construction Overhead Procedures and other general notes. However, include these completed schedules in the paper copy of the annual report.

Insert Pages

Due to a large amount of data, some companies will be required to file additional pages to complete certain schedules. If you are required to prepare insert pages, insert pages have been provided in the workspace below the applicable schedule. The totals of the insert pages should be input on the relates schedule. The print function will not print the insert pages. As a result, you will have to print these manually.

Saving the File

As stated above, the name of the file is WATERAR.XLS. It is advised that you call up the file and then immediately save it using the assigned file names as shown below.

Print the Entire Report

When you have completed the report, you may want to print out the entire report. To do this, select Print under the File menu. In the Print Dialogue box that appears chose the Entire Workbook option in the Print What Section.

Organizing the Paper Copy of the Annual Report

The paper copy of the annual report contains several blank pages throughout the report so that schedules on two pages can be viewed at one time. This excel file does not contain those blank pages. As a result, please use the paper copy of the annual report as a guide for placing blank pages into the paper copy submitted.

<u>Company Name</u>	<u>WATERFORM.XLS File NAME TO SAVE</u>
Hertitage Hills Waterworks	HHWATER.XLS
Long Island Water	LIWATER.XLS
New York American-Water	NYAWATER.XLS
New York Water Service	NYWWATER.XLS
Sea Cliff Water	SCWATER.XLS
United Water - New Rochelle	UWATERNR.XLS
United Water - New York	UWATERNY.XLS
United Water - Oswego	UWATEROS.XLS

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF WATERWORKS CORPORATIONS Year Ended December 31, 2016

Instructions for this sheet:

- 1 Fill in your name, address and appropriate dates in the designated area below so that this information will carry to other sheets in the file.
- 2 If the respondent's name is long, the "Year ended December 31, 19__" may over pass the print range. This can be corrected by one of two methods: selecting a smaller font size on the specific sheet, or to delete some spaces on the combined string below.

Please fill in the following:

Respondent's exact legal name :	HERITAGE HILLS WATER-WORKS CORPORATION	
Address line 1:	P.O. BOX 873	
Address line 2:	SOUTHBURY, CT 06488	
Date of Report (Mo,Da,Yr)	3/31/2017	<u>Example</u> 3/31/97
Year of Report	December 31, 2016	December 31, 1996
For the period starting:	January 1, 2016	January 1, 1996
For the period ending:	December 31, 2016	December 31, 1996
Date due:	March 31, 2017	March 31, 1997

For the period starting January 1, 2016
For the period ending December 31, 2016
Year Ended December 31, 2016

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

WATER WORKS CORPORATIONS CLASSES A AND B ANNUAL REPORT

OF

HERITAGE HILLS WATER-WORKS CORPORATION

Exact legal name of reporting water utility

(If name was changed during year, show also the previous name and date of change)

P.O. BOX 873

SOUTHBURY, CT 06488

(Address of principal business office at end of year)

FOR THE

Year Ended December 31, 2016

TO THE

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Name, title, address and telephone number (including area code), of
the person to contact concerning this report:

Keith J. Sorensen, Treasurer, P.O. Box 873, Southbury, CT 06488

1-800-724-0322

GENERAL INSTRUCTIONS

1. The completed original of this report form, properly filled out, shall be filed with the Public Service Commission, Albany, N.Y., on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting utility.
2. All utility companies upon which this report form is served are required by statute to complete and to file the report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting utility shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the Uniform Systems of Accounts prescribed by this Commission. Whenever the term respondent is used, it shall be understood to mean the reporting utility.
4. If the report is made for a period other than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete and the amounts reported should be supported by information set forth in, or as part of the books of account.
5. Every inquiry must be definitely answered. If "none" or "not applicable" states the fact, such an answer may be used. The annual report should be complete in itself. Reference to reports of previous years or to any paper or document should not be made in lieu of required entries except as specifically outlined.
6. Upon filing, the report may, if desired, be permanently bound. If it is so bound, the requirement for page by page identification of the reporting company set forth in paragraph 9 below, may be disregarded. Extra copies of any page will be furnished upon request.
7. If the utility conducts operations both within and without the State of New York, data should be reported so that there will be shown the quantities of commodities sold within this State, and (separately by accounts) the operating revenues from sources within this State, the operating revenue deductions applicable thereto and the plant investment as of the end of the year within this State.
8. All entries shall be made in black or dark blue except those of a contrary or opposite nature, which should be made in red or enclosed in parentheses. Inserts, if any, should be appropriately identified with the schedules to which they relate.
9. Insert the initials of the reporting utility and the year which the report covers in the space provided on each page.
10. Cents are to be omitted on all schedules except where they apply to averages and figures per unit where cents are important. The amounts shown on all supporting schedules shall agree with the item in the statement they support.

LIST OF SCHEDULES			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
General Corporate Information and Financial Statements			
General Information	101	12-78	
Company Profile	102-103	12-97	
Officers and Directors and Compensation	104-105	12-95	
Security Holders and Voting Powers	106-107	12-97	
Important Changes During the Year	108-109	12-97	
Reconciliation between PSC and Stockholders Report	110-113	12-97	
Comparative Balance Sheet	114-115	12-97	
Comparative Statement of Income for the Year	116-119	12-97	
Comparative Statement of Retained Earnings for the Year	120-121	12-97	
New York State Intrastate Revenue	121	12-97	
Statement of Cash Flows	122-123	12-97	
Notes to the Financial Statements	124-125	12-97	
Balance Sheet Supporting Schedules (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provision for Depreciation, Amortization, and Depletion	200-201	12-97	
Water Plant in Service	202-205	12-97	
Miscellaneous Plant Data	204-205	12-97	
Construction Work in Progress	206	12-97	
Construction Overheads	207	12-97	
General Description of Construction Overheads Procedures	208	12-97	
Accumulated Provision for Depreciation and Amortization of Water Plant	209	12-97	
Investments	210	12-97	
Non-Utility Property	211	12-97	
Special Funds and Deposits	212	12-97	
Notes and Accounts Receivable	213	12-97	
Receivables from Associated Companies	214	12-97	
Material & Supplies	215	12-97	
Prepayments	215	12-97	
Extraordinary Property Losses	216	12-97	
Miscellaneous Deferred Debits	216	12-97	
Accumulated Deferred Income Taxes	217	12-97	
Balance Sheet Supporting Schedules (Liabilities Other Credits)			
Capital Stock	250-251	12-97	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	12-97	
Other Paid In Capital	253	12-97	
Capital Stock Expense	254	12-97	
Notes Payable	255	12-97	
Long-Term Debt	256-257	12-97	
Taxes Accrued, Prepaid and Charged During the Year	258-260	12-97	
Other Deferred Credits	261	12-97	
Accumulated Deferred Investment Tax Credits	262-263	12-97	
Accumulated Deferred Income Taxes	264-265	12-97	

LIST OF SCHEDULES			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
Balance Sheet Supporting Schedules (Liabilities Other Credits) (Continued)			
Excess/Deficient Deferred Federal Income Taxes	266	12-97	
Temporary Income Tax Differences	267	12-97	
Income Account Supporting Schedules			
Water Operating Revenues	300	12-97	
Sales of Water by Rate Schedule	301	12-97	
Sales of Water by Municipality	302-304	12-97	
Sales for Resale and Purchased Water	305	12-97	
Miscellaneous Service Revenues and Other Water Revenues	306	12-97	
Water Operation and Maintenance Expenses	307-309	12-97	
Number of Employees	309	12-97	
Fuel or Purchased Power for Pumping	310	12-97	
Depreciation and Amortization of Water Plant	311-312	12-97	
Miscellaneous General Expenses	313	12-97	
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	314	12-97	
Income from Merchandising, Jobbing and Contract Work	315	12-97	
Particulars Concerning Certain Other Income Accounts	316	12-97	
Gain and Loss on Disposition of Property	317	12-97	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	318-320	12-97	
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Regulatory Commission Expenses	350-351	12-97	
Research, Development and Demonstration Activities	352-353	12-97	
Distribution of Salaries and Wages	354	12-97	
Charges of Outside Professional Services and Other Consultative Services	355-356	12-97	
Employee Protective Plans	357-358	12-97	
Analysis of Pension Costs	359-360	12-97	
Analysis of Pension Settlements, Curtailments and Terminations	361-362	12-97	
Analysis of OPEB Costs, Funding and Deferrals	363-366	12-97	
Miscellaneous Tax Refunds	367	12-97	
Statistical Data			
Water Production and Consumption	400	12-97	
Sources of Supply	401-402	12-97	
Pumping Station and Fire Service Statistics	403-404	12-97	
Water Treatment System/Treatment Process	405	12-97	
Distribution Reservoirs and Stand Pipes	406	12-97	
Mains	407-408	12-97	
Service Pipes	409	12-97	
Customer Meters	410	12-97	
Fire Hydrants	411	12-97	
Verification			
Index			

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

George R. Godfrey - Controller
P.O. Box 873
Southbury, CT 06488

2. Provide name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

New York

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Water Utility

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) ____ Yes.....Enter the date when such independent accountant was initially engaged: ____
(2) X ____ No.

COMPANY PROFILE

1. Brief company history and description of service territory.
2. Major short-term goals and objectives.
3. Major operating divisions and functions.
4. Current and projected customer growth patterns.
5. Provide an organizational chart that shows all parents and subsidiaries of the utility.
 - a. The chart must show the relationship between the utility and the affiliates.
 - b. For parents of the utility, provide the extent of control that the parent has over the utility.
 - c. For subsidiaries of the utility, provide the extent of control that the utility has over the subsidiary.

1. See Notes to Financial Statements.
2. See Notes to Financial Statements.
3. One operating division, which is the water utility.
4. Projected customer growth for the foreseeable future, 0 customers in 2015. 0 thereafter.
5. Utility stands alone, has no parent nor subsidiary.
 - a. All affiliated companies do business on arm's length basis.

COMPANY PROFILE (Continued)

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

OFFICERS AND DIRECTORS (Including Compensation)

1. Furnish the indicated data with respect to each executive officer and director, whether or not they received any compensation from the respondent.
2. Executive officers include a company's president, secretary, treasurer and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
3. Indicate with an asterisk (*) in column (a) those directors who were members of the executive committee, if any, and by a double asterisk (**) the chairman, if any, of that committee, at the end of the year.

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Keith J. Sorensen	President			
2	Henry Paparazzo	Vice - President			
3	Jeanne Paparazzo	Secretary			
4	Keith J. Sorensen	Treasurer			
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

NOTES:

Please complete the information on this schedule for all copies (paper and electronic version) of the report.

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

OFFICERS AND DIRECTORS (Including Compensation - Continued)

4. If any person reported in this schedule received remuneration directly or indirectly other than salary shown in column (e) list the amounts in columns (f) through (k) with the footnotes necessary to explain the essentials of the plan, the basis of determining the ultimate benefits receivable and the payments or provisions made during the year to each person reported herein. If the word "none" correctly states the facts in regard to entries for columns (f) through (k), so state.
5. If any person reported hereunder received compensation from more than one affiliated company or was carried on the payroll of an affiliated company, details shall be given in a note.

Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
						\$0	1
						0	2
						0	3
						0	4
						0	5
						0	6
						0	7
						0	8
						0	9
						0	10
						0	11
						0	12
						0	13
						0	14
						0	15
						0	16
						0	17
						0	18
						0	19
						0	20
						0	21
						0	22
						0	23
						0	24
						0	25

NOTES:

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights,

explain in a footnote the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy.
Total:
By proxy:

3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities				
5	TOTAL number of security holders				
6	TOTAL votes of security holders listed below	200	200		
7	Jeanne Paparazzo	8	8		
8	Tappan Brook Road				
9	Bridgewater, CT				
10					
11	Jennifer McGann	18	18		
12	Channing Way				
13	San Rafael, CA				
14					
15	Earl McGann	16	16		
16	Main Street				
17	Woodbury, CT				
18					

NYSpsc 347-97

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
19	Keith J. Sorensen	40	40		
20	P.O. Box 873				
21	Southbury, CT				
22					
23	Candee Kilian	14	14		
24	P.O. Box 873				
25	Southbury, CT				
26					
27	Laura Henne	14	14		
28	P.O. Box 873				
29	Southbury, CT				
30					
31	Robert E. Landry, Trustee	14	14		
32	For Eric Jones Qualified S-Corp. Trust				
33	P.O. Box 873 - Southbury, CT				
34					
35	Robert E. Landry, Trustee	14	14		
36	For Tucker Henne Qualified S-Corp. Trust				
37	P.O. Box 873 - Southbury, CT				
38					
39	Robert E. Landry, Trustee	14	14		
40	For Rachael Henne Qualified S-Corp. Trust				
41	P.O. Box 873 - Southbury, CT				
42					
43	Robert E. Landry, Trustee	14	14		
44	For Chelsea Kilian Qualified S-Corp. Trust				
45	P.O. Box 873 - Southbury, CT				
46					
47	Robert E. Landry, Trustee	14	14		
48	For Elysia Kilian Qualified S-Corp. Trust				
49	P.O. Box 873 - Southbury, CT				
50					
51	Robert E. Landry, Trustee	14	14		
52	For Taylor Kilian Qualified S-Corp. Trust				
53	P.O. Box 873 - Southbury, CT				
54					
55	Robert E. Landry, Trustee	6	6		
56	For Paparazzo Great Grandchildren Trust				
57	P.O. Box 873 - Southbury, CT				
58					

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none", "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. (Reserved)

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be included on this page (Paper Copy Only).

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None
- 6 None
- 7 None
- 8 None
- 9 None
- 10 None
- 11 None
- 12 None

IMPORTANT CHANGES DURING THE YEAR (Continued)

RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S ANNUAL REPORT

Attach herein (following this page) the respondent's latest annual report to stockholders. If such a report is not prepared, but if audited annual financial statements on which a certified public accountant expresses an opinion are regularly prepared and distributed to bondholders, banking institutions or security analysts, submit that.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a calendar year basis, the major financial statements contained therein, i.e., Balance Sheet, Income and Retained Earnings Statement and Statement of Cash Flow, shall be reconciled with the corresponding PSC statements. The reconciliation shall contain an explanation of all differences in reporting.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a fiscal year basis, then a statement shall be included stating that, except as noted, the major financial statements are prepared on the same basis as in this annual report to the Commission and are in conformity with this Commission's applicable Uniform System of Accounts.

If reports to stockholders or audited annual financial statements are not prepared, so state below:

**RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S
ANNUAL REPORT (Continued)
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	Balance Sheet										
2	<u>Assets</u>										
3	Total Net Utility Plant	\$4,253									\$4,253
4											
5											
6											803
7	Other Property & Investments	803									
8											
9											
10											
11	Current Assets										0
12											
13											
14											
15	Deferred Debits	192									192
16											
17											
18											
19											
20	Total	\$5,248	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$5,248
21	<u>Liabilities & Capital</u>										
22	Proprietary Capital	130									130
23											
24											
25											
26	Long Term Debt	620									620
27											
28	Other Noncurrent Liabilities										
29											
30											
31	Current & Accrued Liabilities	4,498									4,498
32											
33											
34	Deferred Credits										
35											
36											
37											
38											
39	Operating Reserves										
40											
41	Income Taxes										
42											
43	Total	\$5,248	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$5,248

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

**RECONCILIATION BETWEEN PSC AND STOCKHOLDER'S
ANNUAL REPORT (Continued)
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	Income Statement										
2	<u>Operating Revenues</u>	\$1,457									\$1,457
3											
4											
5											
6	<u>Operating Expenses</u>	1,112									1,112
7											
8											
9											
10	<u>Other Income and Deductions</u>	22									22
11											
12											
13											
14	<u>Interest Charges</u>	154									154
15											
16											
17											
18	<u>Extraordinary Items</u>										
19											
20											
21											
22											
23											
24											
25	Net Income	\$213	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$213

FOOTNOTES

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

**RECONCILIATION BETWEEN FERC, PSC AND STOCKHOLDER'S
ANNUAL REPORT (Continued)
(\$000s)**

Line No.	Description	PSC USOA	Adjustments						Consolidations Eliminations	Footnote Ref	Stockholder's Report
1	Statement of Cash Flows										
2	<u>Operating Activities</u>	\$730									\$730
3											
4											
5											
6											
7											
8	<u>Investing Activities</u>	(76)									(76)
9											
10											
11											
12											
13											
14	<u>Financing Activities</u>	(276)									(276)
15											
16											
17											
18	Net increase (decrease) in cash and cash equivalents	378	0	0	0	0	0	0	0		378
19											
20											
21											
22	Cash and cash equivalents, Beginning of Year	243									243
23											
24											
25	Cash and cash equivalents, End of Year	\$621	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$621
26											

FOOTNOTES

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beg. of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Water Plant (101-107, 114, 116, 117, 118.1, 118.2)	200-201	\$7,608,560	\$7,664,557
3	(Less) Accum. Prov. for Depr. Amort. Depl. (108-113,115, 119.1, 119.2)	200-201	3,305,786	3,411,459
4	Net Utility Plant (Total of line 2 less 3)	-	4,302,774	4,253,098
5	OTHER PROPERTY AND INVESTMENTS	-		
6	Nonutility Property (121)	211		
7	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
8	Investments in Associated Companies (123)	210		
9	Investment in Subsidiary Companies (123.1)	-		
10	Other Investments (124)	210		
11	Sinking Funds (125)	212		
12	Depreciation Funds (126)	212		
13	Other Special Funds (128)	212		
14	TOTAL Other Property and Investments (Total of lines 6 thru 13)	-	0	0
15	CURRENT AND ACCRUED ASSETS	-		
16	Cash (131)	-	242,789	621,424
17	Interest Special Deposits (132)	212		
18	Dividend Special Deposits (133)	212		
19	Other Special Deposits (134)	212		
20	Working Fund (135)	-		
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	213		
23	Customer Accounts Receivable (142)	213	136,179	120,235
24	Other Accounts Receivable (143)	213	374,967	0
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	213		
26	Notes Receivable from Associated Companies (145)	214		
27	Accounts Receivable from Assoc. Companies (146)	214		
28	Materials and Supplies (150)	215	0	0
29	Prepayments (165)	215	14,466	61,181
30	Interest and Dividends Receivable (171)	-		
31	Rents Receivable (172)	-		
32	Accrued Utility Revenues (173)	-		
33	Miscellaneous Current and Accrued Assets (174)	-		
34	TOTAL Current and Accrued Assets (Enter Total of lines 16 thru 33)	-	768,401	802,840
35	DEFERRED DEBITS	-		
36	Unamortized Debt Expense (181)	-	8,110	0
37	Extraordinary Property Losses (182)	216		
38	Preliminary Survey and Investigative Charges (183)	-		
39	Clearing Accounts (184)	-		
40	Temporary Facilities (185)	-		
41	Miscellaneous Deferred Debits (186)	216	228,280	191,990
42	Investment in Research and Development (188)	352-353		
43	Unamortized Loss on Reacquired Debt	-		
44	Accumulated Deferred Income Taxes (190)	217	0	0
45	TOTAL Deferred Debits (Enter Total of lines 36 thru 44)	-	236,390	191,990
46	TOTAL Assets and Other Debits (Enter Total of lines 4, 14, 34, and 45)	-	\$5,307,565	\$5,247,928

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at End of Year (d)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL	-		
2	Common Stock Issued (201)	250-251	\$50,000	\$50,000
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-in Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock	-		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 216)	120-121	(83,057)	79,644
12	(Less) Reacquired Capital Stock (217)	120-121		
13	TOTAL Proprietary Capital (Total of lines 2 thru 12)	-	(33,057)	129,644
14	LONG-TERM DEBT	-		
15	Bonds (221)	256-257		
16	(Less) Reacquired Bonds (222)	256-257		
17	Advances from Associated Companies (223)	256-257		
18	Other Long-Term Debt (224)	256-257	852,114	620,044
19	Unamortized Premium on Long-Term Debt (225)	256-257		
20	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	256-257		
21	TOTAL Long-Term Debt (Total of Lines 16 thru 20)	-	852,114	620,044
22	OPERATING RESERVES	-		
23	Obligations Under Capital Leases - Noncurrent	-		
24	Property Insurance Reserve (261)	-		
25	Injuries and Damages Reserve (262)	-		
26	Pensions and Benefits Reserve (263)	-		
27	Misc Operating Reserves (265)	-		
28	TOTAL Operating Reserves (Total lines 23 thru 27)	-	0	0
29	CURRENT AND ACCRUED LIABILITIES	-		
30	Notes Payable (231)	255	0	0
31	Accounts Payable (232)	-	94,487	50,854
32	Notes Payable to Associated Companies (233)	255	3,453,157	3,453,157
33	Accounts Payable to Associated Companies (234)	255	345,278	345,278
34	Customer Deposits (235)	-		
35	Taxes Accrued (236)	258-260	0	0
36	Interest Accrued (237)	-		
37	Dividends Declared (238)	-		
38	Matured Long-Term Debt (239)	-		
39	Matured Interest (240)	-		
40	Tax Collections Payable (241)	-		
41	Miscellaneous Current and Accrued Liabilities (242)	-	483,586	522,951
42	Obligations Under Capital Leases - Current	-		
43	TOTAL Current and Accrued Liabilities (Total of lines 30 thru 42)	-	4,376,508	4,372,240
44	DEFERRED CREDITS	-		
45	Customer Advances for Construction (252)	-		
46	Other Deferred Credits (253)	261	0	0
47	Accumulated Deferred Investment Tax Credits (255)	262-263		
48	Deferred Gains from Disposition of Utility Plant	-		
49	Unamortized Gain on Reacquired Debt	-		
50	Accumulated Deferred Income Taxes (281 - 283)	217	112,000	126,000
51	TOTAL Deferred Credits (Total of lines 45 thru 50)	-	112,000	126,000
52	TOTAL Liabilities and Other Credits(Total of lines 13, 21, 28, 43 and 51)	-	\$5,307,565	\$5,247,928

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, k, m, o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 23 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

3. Use page 124-125 for important notes regarding the statement of income or any account thereof.

4. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to water purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to water purchases.

5. Give concise explanations concerning significant amount of any refunds made or received during the year

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME	-		
2	Operating Revenues (400)	300	1,456,678	1,516,055
3	Operating Expenses	-		
4	Operation Expenses (401)	307-309	416,256	528,566
5	Maintenance Expenses (402)	307-309	72,620	78,927
6	Depreciation Expense (403)	311-312	118,065	114,774
7	Amort. Limited-term Water Plant (404)	311-312	0	0
8	Amort. of Other Water Plant (405)	311-312	36,290	39,157
9	Amort. of Water Plant Acquisition Adjustment (406)	-	0	0
10	Amort. of Property Losses (407)	-	0	0
11	Regulatory Debits	-	0	0
12	(Less) Regulatory Credits	-	0	0
13	Taxes Other Than Income Taxes (408.1)	258-260	372,689	470,560
14	Income Taxes -- Federal (409.1)	258-260	61,229	0
15	-- Other (409.1) - State	258-260	20,629	12,301
16	Provision for Deferred Income Taxes (410.1)	-	14,000	11,000
17	(Less) Provision for Deferred Income Taxes -Cr. (411.1)	-	0	0
18	Investment Tax Credit Adj. -- Net (411.4)	-	0	0
19	Misc. Adjustments of Income Taxes (411.8)	-	0	0
20	(Less) Gains from Disp. of Utility Plant	-	0	0
21	Losses from Disp. of Utility Plant	-	0	0
22	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 21)	-	1,111,778	1,255,285
23	Net Utility Operating Income (Enter Total of line 2 less 22) (Carry forward to page 118)	-	\$344,900	\$260,770

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for water purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

6. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on page 124-125.

7. Enter on page 124-125 a concise explanation of only those changes in accounting methods made during the year

which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

8. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Water Utility		Other Utility		Other Utility		Line No.
Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
\$1,456,678	\$1,516,055					2
						3
416,256	528,566					4
72,620	78,927					5
118,065	114,774					6
						7
36,290	39,157	-				8
						9
						10
						11
						12
372,689	470,560					13
61,229						14
20,629	12,301					15
14,000	11,000					16
						17
						18
						19
						20
						21
1,111,778	1,255,285	0	0	0	0	22
\$344,900	\$260,770	\$0	\$0	\$0	\$0	23

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF INCOME FOR THE YEAR				
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
24	Net Utility Operating Income (Carried forward from page 116)	-	\$344,900	\$260,770
25	Other Income and Deductions	-		
26	Other Income	-		
27	Nonutility Operating Income	-		
28	Revenues From Merchandising, Jobbing and Contract Work (415)	315		
29	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)	315		
30	Revenues From Nonutility Operations (417)	316	0	
31	(Less) Expenses of Nonutility Operations (417.1)	316		
32	Nonoperating Rental Income (418)	-		
33	Equity in Earnings of Subsidiary Companies	-		
34	Interest and Dividend Income (419)	-	3,210	5,853
35	Allowance for Other Funds Used During Construction (419.1)	207		
36	Miscellaneous Nonoperating Income (421)	316	26,020	1,763
37	Gain in Disposition of Property (421.1)	317		
38	TOTAL Other Income (Enter Total of lines 28 thru 37)	-	29,230	7,616
39	Other Income Deductions	-		
40	Loss on Disposition of Property (421.2)	317	7,285	10,514
41	Miscellaneous Amortization (425)	318-320	0	0
42	Miscellaneous Income Deductions (426)	318-320		
43	TOTAL Other Income Deductions (Total of lines 40 thru 42)	-	7,285	10,514
44	Taxes Applic. to Other Income and Deductions	-		
45	Taxes Other Than Income Taxes (408.2)	258-260		
46	Income Taxes -- Federal (409.2)	258-260		
47	Income Taxes -- Other (409.2) - State	258-260		
48	Provision for Deferred Inc. Taxes (410.2)	-		
49	(Less) Provision for Deferred Income Taxes -- Cr. (411.2)	-		
50	Investment Tax Credit Adj. -- Net (411.5)	-		
51	(Less) Investment Tax Credits (420)	-		
52	TOTAL Taxes on Other Income and Deduct. (Total of 45 thru 51)	-	0	0
53	Net Other Income and Deductions (Enter Total of lines 38, 43, 52)	-	21,945	(2,898)
54	Interest Charges	-		
55	Interest on Long-Term Debt (427)	256-257	29,062	37,614
56	Amort. of Debt Disc. and Expense (428)	-	2,207	2,208
57	Amortization of Loss on Reacquired Debt	-		
58	(Less) Amort. of Premium on Debt-Credit (429)	256-257		
59	(Less) Amortization of Gain on Reacquired Debt-Credit	-		
60	Interest on Debt to Assoc. Companies (430)	318-320	122,875	113,786
61	Other Interest Expense (431)	318-320		
62	(Less) Allowance for Borrowed Funds Used During Construction-Cr.	-		
63	Net Interest Charges (Enter Total of lines 55 thru 62)	-	154,144	153,608
64	Income Before Extraordinary Items (Total of lines 24, 53 and 63)	-	212,701	104,264
65	Extraordinary Items	-		
66	Extraordinary Income (434)	321		
67	(Less) Extraordinary Deductions (435)	321		
68	Net Extraordinary Items (Enter Total of line 66 less line 67)	-	0	0
69	Income Taxes -- Federal and Other (409.3)	-		
70	Extraordinary Items After Taxes (Enter Total of line 68 less line 69)	-	0	0
71	Net Income (Enter Total of lines 64 and 70)	-	\$212,701	\$104,264

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.

2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount of each reservation or appropriation of retained earnings.

4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.

5. Show dividends for each class and series of capital stock.

6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.

7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 124-125.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance -- Beginning of Year		(\$83,057)
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: UNALLOCATED		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Acct. 439) (Total of lines 4 thru 8)		0
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Acct. 439) (Total of lines 10 thru 14)		0
16	Balance Transferred from Income (Account 433 less Account 418.1)		212,701
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations to Retained Earnings (Acct. 436) (Total of lines 18 thru 21)		0
23	Dividends Declared -- Preferred Stock (Account 437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared -- Preferred Stock (Acct. 437) (Total of lines 24 thru 28)		0
30	Dividends Declared -- Common Stock (Account 438)		
31			
32			
33			
34	Dividend Declared - 2012		(50,000)
35			
36	TOTAL Dividends Declared -- Common Stock (Acct. 438) (Total of lines 31 thru 35)		(50,000)
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance -- End of year (Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		79,644

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)			
Line No.	Item (a)	Amount (b)	
	APPROPRIATED RETAINED EARNINGS (Account 215) State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
39 40 41 42 43 44	NONE		
45	TOTAL Appropriated Retained Earnings (Account 215)	0	
New York State Intrastate Revenues Show the amount of gross operating revenues derived from New York intrastate utility operations during the year. If these amounts differ from the corresponding revenue figures in the income statement , each such difference should be explained in sufficient detail to identify the amounts by detail revenue account. It is intended that the amounts shown here shall represent the revenues subject to assessment under Section 18a of the Public Service Law.			
Line No.	Description of Account (a)	Revenues Intrastate (b)	Interstate (c)
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	UTILITY OPERATING REVENUES	1,456,678	
17	TOTAL	\$1,456,678	\$0

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included on pages 124-125. Information about noncash investing and financing activities should be provided on pages 124-125. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities -- Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 124-125 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instructions for Explanations of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income / (Loss)	\$212,701
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	118,065
5	Amortization of (Specify) - Rate Case Costs / Well 3 Rehab / Tank Resurface / Loan Cost	36,290
6	Loss on disposal of fixed assets	7,285
7	Bad Debt Expense	(2,888)
8		
9	Deferred Income Taxes (Net)	14,000
10	Investment Tax Credit Adjustment (Net)	
11	Net (Increase) Decrease in Receivables	18,832
12	Net (Increase) Decrease in Receivables - Town of Somers	374,967
13	Net Increase (Decrease) in Payables and Accrued Expenses	(43,633)
14	Net (Increase) Decrease in Other Regulatory Assets	
15	Net Increase (Decrease) in Other Regulatory Liabilities	
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Interest Payable	0
19	Deferred Income	39,365
20	Deferred Expenses	2,208
21	Prepaid Insurance	(46,715)
22		
23	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 20)	730,477
24		
25	Cash Flows from Investment Activities:	
26	Construction and Acquisition of Plant (including Land):	
27	Gross Additions to Utility Plant	(75,674)
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 24 thru 31)	(75,674)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition and Investments in (and Advances to)	
42	Associated and Subsidiary Companies	
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

STATEMENT OF CASH FLOWS (Continued)**4. Investing Activities**

Include at Other (line 29) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 124-125.

5. Codes used:

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper.
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 124-125 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanations of Codes) (a)	Amounts (b)
44	Loans Made or Purchased	
45	Collections on Loans	
46		
47	Net (Increase) Decrease in Receivables	
48	Net (Increase) Decrease in Inventory	
49	Net Increase (Decrease) in Payables and Accrued Expenses	
50	Other:	
51		
52		
53	Net Cash Provided by (Used in) Investing Activities	
54	(Total of lines 32 thru 52)	(75,674)
55		
56	Cash Flows from Financing Activities:	
57	Proceeds from Issuance of:	
58	Long-Term Debt (b)	0
59	Preferred Stock	
60	Common Stock	
61	Other: Interest Due To Affiliated Companies (a)	
62		
63	Net Increase in Short-Term Debt (c)	
64	Other:	
65		
66		
67	Cash Provided by Outside Sources (Total of lines 58 thru 66)	0
68		
69	Payments for Retirement of:	
70	Long-term Debt (b)	(226,168)
71	Preferred Stock	
72	Common Stock	
73	Other: Interest Due To Affiliated Companies (a)	0
74		
75	Net Decrease in Short-Term Debt (c)	(226,168)
76		
77	Dividends on Preferred Stock	
78	Dividends on Common Stock	(50,000)
79	Net Cash Provided by (Used in) Financing Activities	
80	(Total of lines 67 thru 78)	(276,168)
81		
82	Net Increase (Decrease) in Cash and Cash Equivalents	
83	(Total of lines 21, 54 and 80)	378,635
84		
85	Cash and Cash Equivalents at Beginning of Year	242,789
86		
87	Cash and Cash Equivalents at End of Year	\$621,424

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving reference to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

5. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 108-109, such notes may be included herein.

SEE ACCOUNTANTS REPORT ATTACHED

NOTES TO FINANCIAL STATEMENTS (Continued)

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Water (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified) (101)	\$7,664,557	\$7,664,557
4	Property Under Capital Leases		
5	Plant Purchased or Sold (102)	0	
6	Plant in Process of Reclassification (103)	0	
7	Completed Construction not Classified (106)	0	
8	TOTAL (Enter Total of lines 3 thru 7)	7,664,557	7,664,557
9	Leased to Others (104)	0	
10	Held for Future Use (105)	0	
11	Construction Work in Progress (107)	0	
12	Plant Acquisition Adjustments (114)	0	
13	Other Plant Adjustments (116)	0	
14	Accumulated Gains and Losses from Disposition of Utility Land and Land Rights (117)	0	
15	TOTAL Utility Plant (Enter Total of lines 8 thru 14)	7,664,557	7,664,557
16	Less: Accum. Prov. for Depr. and Amort.	3,411,459	3,411,459
17	Net Utility Plant (Enter Total of line 13 less 14)	\$4,253,098	\$4,253,098
18	DETAIL OF ACCUMULATED PROVISIONS FOR		
19	DEPRECIATION & AMORTIZATION		
20	In Service		
21	Depreciation (108, 119.1, 119.2)	\$3,411,459	\$3,411,459
22	Amortization (111, 119.1, 119.2)	0	
23	TOTAL In Service (Enter Total of lines 21 thru 22)	3,411,459	3,411,459
24	Leased to Others		
25	Depreciation (109, 119.1, 119.2)	0	
26	Amortization (112, 119.1, 119.2)	0	
27	TOTAL Leased to Others (Enter Total of lines 25 and 26)	0	0
28	Held for Future Use		
29	Depreciation (110, 119.1, 119.2)	0	
30	Amortization (113, 119.1, 119.2)	0	
31	TOTAL Held for Future Use (Enter Total of lines 29 and 30)	0	0
32	Amort. of Plant Acquisition Adj.	0	
33	TOTAL Accumulated Provisions (Should agree with line 16 above)	\$3,411,459	\$3,411,459
34	(Enter Total of lines 23, 27, 31 and 32)		

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SUMMARY OF UTILITY PLANT ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Other (Specify) (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
0	0	0	0	0	8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	15
0	0	0	0	0	16
\$0	\$0	\$0	\$0	\$0	17
					18
					19
					20
					21
					22
0	0	0	0	0	23
					24
					25
					26
0	0	0	0	0	27
					28
					29
					30
0	0	0	0	0	31
					32
\$0	\$0	\$0	\$0	\$0	33
					34

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WATER PLANT IN SERVICE (Accounts 101, 102, and 106)

1. Report below the original cost of water plant in service according to the prescribed accounts.
2. In addition to Account 101, Water Plant in Service (Classified), this page and the next include Account 102, Water Plant Purchased or Sold; and Account 106, Completed Construction Not Classified.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c).

Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	\$0	\$0
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	0	0
6	2. SOURCE OF SUPPLY PLANT		
7	(310) Land and Land Rights		
8	(311) Structures and Improvements		
9	(312) Collecting and Impounding Reservoirs		
10	(313) Lake, River and Other Intakes		
11	(314) Wells and Springs	794,991	23,936
12	(315) Infiltration Galleries & Tunnels		
13	(316) Supply Mains		
14	(317) Other Water Source Plant		
15	TOTAL Source of Supply Plant (Enter Total of lines 7 thru 14)	794,991	23,936
16	3. PUMPING PLANT		
17	(320) Land and Land Rights		
18	(321) Structures and Improvements	247,842	0
19	(322) Boiler Plant Equipment		
20	(323) Other Power Production Equipment		
21	(324) Steam Pumping Equipment		
22	(325) Electric Pumping Equipment		
23	(326) Diesel Pumping Equipment		
24	(327) Hydraulic Pumping Equipment		
25	(328) Other Power Pumping Equipment		
26	TOTAL Pumping Equipment (Total of lines 17 thru 25)	247,842	0
27	4. WATER TREATMENT PLANT		
28	(330) Land and Land Rights	12,496	
29	(331) Structures and Improvements	438,830	0
30	(332) Water Treatment Equipment	50,206	
31	TOTAL Water Treatment Plant (Enter Total of lines 28 thru 30)	501,532	0
32	5. TRANSMISSION & DISTRIBUTION PLANT		
33	(340) Land and Land Rights	2,367	
34	(341) Structures and Improvements	0	
35	(342) Distribution Reservoirs & Standpipes	465,612	
36	(343) Transmission & Distribution Mains	3,456,567	
37	(344) Fire Mains	0	
39	(345) Services	1,250,904	0
40	(346) Meters	454,353	45,671
41	(348) Hydrants	421,749	6,067
42	(349) Other Transmission & Distribution Plant	0	
43	Total Transmission & Distribution Plant (sum lines 33 thru 42)	\$6,051,552	\$51,738

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WATER PLANT IN SERVICE (Accounts 101, 102, and 106)

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.
8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also the date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
	\$0		\$0	(301)	2
			0	(302)	3
			0	(303)	4
0	-	0	0		5
					6
			0	(310)	7
			0	(311)	8
			0	(312)	9
			0	(313)	10
	(1)		818,926	(314)	11
			0	(315)	12
			0	(316)	13
			0	(317)	14
0	(1)	0	818,926		15
					16
			0	(320)	17
			247,842	(321)	18
			0	(322)	19
			0	(323)	20
			0	(324)	21
			0	(325)	22
			0	(326)	23
			0	(327)	24
			0	(328)	25
0	0	0	247,842		26
					27
			12,496	(330)	28
			438,830	(331)	29
			50,206	(332)	30
0	0	0	501,532		31
					32
			2,367	(340)	33
			0	(341)	34
			465,612	(342)	35
			3,456,567	(343)	36
			0	(344)	37
			1,250,904	(345)	39
19,676	0		480,348	(346)	40
			427,816	(348)	41
			0	(349)	42
\$19,676	\$0	\$0	\$6,083,614		43

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WATER PLANT IN SERVICE (Accounts 101, 102, and 106) (Continued)			
	Account (a)	Balance at Beginning of Year (b)	Additions (c)
44	6. GENERAL PLANT		
45	(389) Land and Land Rights	3,899	0
46	(390) Structures & Improvements		
47	(391) Office Furniture & Equipment		
48	(392) Transportation Equipment		
49	(393) Stores Equipment		
50	(394) Tools Shop & Garage Equipment	2,531	0
51	(395) Laboratory Equipment		
52	(396) Power Operated Equipment		
53	(397) Communications Equipment	2,766	0
54	(398) Misc Equipment	3,447	0
55	(399) Other Tangible Property		
56	Total General Plant (sum lines 45 thru 55)	12,643	0
57	(101) Total Plant Accounts (101)	7,608,560	75,674
58	(102) Water Plant Purchased or Sold		
59	Total Water Plant in Service	7,608,560	75,674
MISCELLANEOUS PLANT DATA			
<p>Furnish a summary statement for each of the accounts listed here if a balance was carried over at any time during the year. There should be a brief description and amounts, of transactions earned through each such account and, except to the extent that the information is shown elsewhere in this report, opening and closing balances. If any of the property involved has an income producing status during the year, the gross income and applicable expenses (suitably subdivided) should be reported.</p>			
103	Water Plant in Process of Reclassification	109	Accumulated Provision for Depreciation of Plant Leased to Others
104	Plant Leased to Others		
105	Plant Held for Future Use	110	Accumulated Provision for Depreciation of Plant Held for Future Use
114	Plant Acquisition Adjustments	112	Accumulated Provision for Amortization of Plant Leased to Others
116	Other Water Plant Adjustments		
117	Accumulated Gains and Losses from Disposition of Utility Plant and Land Rights	113	Accumulated Provision for Amortization of Plant Held for Future Use
		115	Accumulated Provision for Amortization of Plant Acquisition Adjustments
118.2	Other Utility Plant	119.2	Accumulated Provision for Depreciation and Amortization of Other Utility Plant

MISCELLANEOUS PLANT DATA (Continued)

CONSTRUCTION WORK IN PROGRESS (Account 107)

1. For each department and common plant in service, report below descriptions and balances at the end of year for each projects in process, of construction.
2. Minor projects may be grouped.

Line No.	Description of Each Project (a)	Construction Work in Progress (Account 107) (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	TOTAL	\$0

CONSTRUCTION OVERHEADS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. On page 208 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 208, the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.
4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1		
2	N/A	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42	TOTAL	\$0

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rate(s) used by the company during the reporting year.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Description of Each Construction Overhead**COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES****1. Components of Formula**

Line No.	Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt			
2	Short-Term Interest			
3	Long-Term Debt			
4	Preferred Stock			
5	Common Equity			
6	Total Capitalization	0	0.00%	
7	Average Construction Work in Progress Balance			

2. Gross Rate for Borrowed Funds

=>

3. Rate for Other Funds

=>

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds -

=>

b. Rate for Other Funds -

=>

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ACCUMULATED PROVISION FOR DEPR. AND AMORT. OF WATER PLANT (A/C 108 and 111)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for water plant in service, pages 202-205, column (d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d) (b)	Water Plant (A/C 108) (c)	Water Plant (A/C 111) (d)
1	Balance Beginning of Year	\$3,305,786	\$3,305,786	
2	Depreciation Provisions for Year, Charged to			
3	(403) Depreciation Expense	118,065	118,065	
4	(413) Exp. of Plt. Leas. to Others	0		
5	Transportation Expenses-Clearing	0		
6	Other Clearing Accounts	0		
7	Other Accounts (Specify):	0		
8		0		
9	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	118,065	118,065	0
10	Net Charges for Plant Retired:			
11	Book Cost of Plant Retired	(12,392)	(12,392)	
12	Cost of Removal	0		
13	Salvage (Credit)	0		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(12,392)	(12,392)	0
15	Other Dr. or Cr. Items (Describe):	0		
16		0		
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	\$3,411,459	\$3,411,459	\$0
Section B. Balances at End of Year According to Functional Classifications				
18	Source of Supply	\$569,596	\$569,596	
19	Pumping	169,565	169,565	
20	Water Treatment	425,769	425,769	
21	Transmission and Distribution	2,239,150	2,239,150	
22	General	7,379	7,379	
23	TOTAL (Enter Total of lines 18 thru 22)	\$3,411,459	\$3,411,459	\$0

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Investments (Account 123 and 124)

1. Report below investments greater than or equal to \$100,000 in Accounts 123, Investment in Associated Companies and 124, Other Investments.
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investment in Securities - List and describe each security owned, giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities, notes or accounts and in a footnote state the name of the pledgee and purpose of the pledge.
6. If commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case number.
7. Interest and dividend revenues from investments should be reported in column (g), including such revenues from securities disposed of during the year.
8. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment includible in column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Cost Beginning Of Year (d)	Principal Amount or No. Of Shares End of Year (e)	Book Costs * End Of Year (f)	Revenues For Year (g)	Gain or Loss From Investment Disposed of (h)
1	N/A							
2								
3								
4								
5								
6								
7								
8	Totals (Account 123)			\$0		\$0	\$0	\$0
9								
10								
11								
12								
13								
14								
15								
16	Totals (Account 124)			\$0		\$0	\$0	\$0

* If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.

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NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of nonutility property included in Account 121.
2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor items may be grouped.

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1				\$0
2	N/A			0
3				0
4				0
5				0
6				0
7				0
8				0
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0
21				0
22				0
23				0
24				0
25				0
26				0
27				0
28				0
29				0
30				0
31				0
32				0
33				0
34				0
35				0
36				0
37				0
38				0
39				0
40				0
41				0
42	Minor Items-Other Nonutility Property			0
43	TOTAL	\$0	\$0	\$0

SPECIAL FUNDS (Accounts 125, 126, 128)
(Sinking Funds, Depreciation Fund, Other Special Funds)

1. For each fund at the end of the year, report the balance below.
Aggregate all other funds. Indicate nature of any fund included in Account 128, Other Special Funds.
2. Explain, for each fund, any deductions other than withdrawals for the purpose for which the fund was created.
3. If the trustee of any fund is an associated company, give name of such associated company.
4. If assets other than cash comprise any fund, furnish a list of the securities or other assets, giving interest or dividend rate of each, cost to respondent, number of shares or principal amount, and book cost at end of year.

Line No.	Name of Fund and trustee if any (a)	Balance End of Year (b)
1		
2		
3		
4		
5		
6	Total (Account 125)	\$0
7		
8		
9		
10		
11		
12		
13	Total (Account 126)	\$0
14		
15		
16		
17		
18		
19		
20	Total (Account 128)	\$0

SPECIAL DEPOSITS (Accounts 132, 133, 134)

1. For each fund at the end of the year, report the balance below.
Aggregate all other funds.
2. If any deposit consists of assets other than cash, give a brief description of such assets.
3. If any deposit is held by an associated company, give name of company.

Line No.	Description and purpose of deposit (a)	Balance End of Year (b)
21	Interest Special Deposits (Account 132)	
22	Dividend Special Deposits (Account 133)	
23	Other Special Deposits (Account 134):	
24	(Specify purpose of each other special deposit)	
25		
26		
27	N/A	
28		
29		
30		
31		
32		
33		
34		
35		
36		
37	Total (Account 134)	\$0

NOTES AND ACCOUNTS RECEIVABLE (Accounts 141, 142, 143)

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).
 Note any capital stock subscriptions received included in Account 143, Other Accounts Receivable.

LINE NO.		Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)		
2	Customer Accounts Receivable (Account 142):		
3	General Customers	137,324	118,027
4	Other Water Companies		
5	Public Authorities		
6	Merchandising, Jobbing and Contract Work		
7	Other - Insurance Claim	0	0
8	Other Accounts Receivable (Account 143)	374,967	4,100
9	Total (Accounts 142 and 143)	512,291	122,127
10	Less: Accumulated Provision for Uncollectible Accounts - Cr. (Account 144)	1,145	1,892
11	Total, Less Accumulated Provision for Uncollectible Accounts	\$511,146	\$120,235
12			
13			
14			
15			

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

1. Report below the information called for concerning this accumulated provision.
2. Explain any important adjustments of subaccounts.
3. Entries with respect to officers and employees shall not include items for utility services.

LINE NO.	Item (a)	Utility Customers (b)	Merchandising, Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
16	Balance Beginning of Year	\$1,145				\$1,145
17	Prov. for Uncollectibles for Year	747				747
18	Accounts Written Off	0				0
19	Collection of Accounts Written Off	0				0
20	Adjustments (Explain)					0
21						0
22	Balance End of Year	\$1,892	\$0	\$0	\$0	\$1,892

4. Summarize the collection and write-off practices applied to overdue customers' accounts.

Accounts receivable arise in the normal course of business primarily from customer charges for service and water usage. Accounts are charged against the allowance for doubtful accounts as they are deemed uncollectible based upon a periodic review of the accounts by management.

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

1. Report particulars of notes and accounts receivable from associated companies at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.
4. If any note was received in satisfaction of an open account, state the period covered by such open account.
5. Include in column (f) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Line No.	Particulars (a)	Balance Beginning of Year (b)			Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1					\$0	
2					0	
3					0	
4					0	
5					0	
6					0	
7					0	
8					0	
9					0	
10					0	
11					0	
12					0	
13					0	
14	Totals (Account 145)	\$0	\$0	\$0	\$0	\$0
15					\$0	
16					0	
17					0	
18					0	
19					0	
20					0	
21					0	
22					0	
23					0	
24					0	
25					0	
26					0	
27					0	
28					0	
29					0	
30					0	
31					0	
32					0	
33					0	
34					0	
35					0	
36					0	
37					0	
38					0	
39					0	
40					0	
41					0	
42					0	
43					0	
44					0	
45					0	
46					0	
47					0	
48	Totals (Account 146)	\$0	\$0	\$0	\$0	\$0

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MATERIALS AND SUPPLIES (Account 150)

1. For Account 150, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 150.151)			
2	Fuel Stock Expenses Undistributed (Account 150.152)			
3	Residuals and Extracted Products			
4	Plant Materials and Operating Supplies (Account 150.154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other			
11	TOTAL Account 150.154 (Enter Total of lines 5 thru 10)	\$0	\$0	
12	Merchandise (Account 150.155)			
13	Other Material and Supplies (Account 150.156)			
14				
14	Stores Expense Undistributed (Account 150.163)			
15				
16				
17				
18				
19	TOTAL Materials and Supplies (per Balance Sheet)	\$0	\$0	

PREPAYMENTS (ACCOUNT 165)

1. Give below the particulars called for concerning each prepayment.

2. Minor items may be grouped by classes, showing number of such items.

Line No.	Nature of Prepayment (a)	End of Year Balance (b)
1	Prepaid insurance	\$4,838
2	Prepaid rents	
3	Prepaid taxes - Corp	54,489
4	Prepaid interest	
5	Miscellaneous prepayments: (specify:)	
6	Prepaid PSC General Assessment 2013-2014	1,854
7	Prepaid Professional Services -Valuation Property Report	
8		
9		
10		
11		
12		
13		
14	TOTAL Material and Supplies (per Balance Sheet)	\$61,181

EXTRAORDINARY PROPERTY LOSSES (Account 182)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING THE YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	TOTAL	\$0	\$0		\$0	\$0

MISCELLANEOUS DEFERRED DEBITS (Account 186)

Line No.	Description of Miscellaneous Deferred Debit [Include in the description of costs, the date of Commission authorization to use Account 186, and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING THE YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
18						
19	Amortized over 5 Years					
20	Well Maintenance - 2013	22,421		428	4,484	5,979
21						
22						
23						
24	Amortized over 20 Years					
25	Tank Resurface - 2005	308,740		428	15,437	131,215
26						
27						
28						
29	Amortized over 5 Years					
30	Well 3 - Rehab - 2011	28,665		428	2,866	0
31						
32	Amortized over 5 Years					
33	Well 3 Maintenance - 2015	20,326		428	0	20,326
34						
35				928	0	0
36						
37	Amortized over 5 Years					
38	Water Leak Detection	14,227		428	2,845	7,825
39						
40	Amortized over 5 Years					
41	Well 4 Maintenance - 2014	33,072		428	6,614	16,536
42						
43	Amortized over 5 Years					
44	Well 5 Maintenance - 2014	20,219		428	4,044	10,109
45						
46						
47	TOTAL	\$447,670	\$0		\$36,290	\$191,990

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Year Ended December 31, 2016

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below, concerning the respondent's accounting for deferred income taxes.
 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance End of Year (c)
1	Water		
2	Deferred income tax benefit of net operating losses	\$7,000	\$0
3			
4	Valuation allowance	0	0
5			
6	Deferred tax liability due to differences between tax & book depreciation	(119,000)	(126,000)
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18	TOTAL Water (Total of lines 2 through 17)	(112,000)	(126,000)
19	Other		
20			
21			
22			
23			
24			
25			
26			
27	TOTAL Other (Total of lines 20 through 26)	0	0
28	TOTAL Account 190 (TOTAL of lines 18 and 27)	(\$112,000)	(\$126,000)

Notes

FOOTNOTE- 7

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

CAPITAL STOCK (Accounts 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	<u>Common - Account 201</u>			
2		200	NO PAR	\$50,000.00
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Total	200		50,000.00
21				
22	<u>Preferred - Account 204</u>			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	Total	0		
42				

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

CAPITAL STOCK (Accounts 201 and 204) (Continued)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
200	\$50,000					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
200	\$50,000	0	\$0	0	\$0	19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
0	\$0	0	\$0	0	\$0	40
						41
						42

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**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**

(Accounts 202 and 205, 203 and 206, 207, 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.

2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.

3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203,

Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.

4. For Premium on Account 207, Capital Stock, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	Number of Shares (b)	Amount (c)
1	<u>Common Stock Subscribed (Account 202)</u>		
2	N/A		
3			
4			
5			
6	TOTALS	0	\$0
7			
8	<u>Preferred Stock Subscribed (Account 205)</u>		
9			
10			
11			
12			
13	TOTALS	0	\$0
14			
15	<u>Common Stock Liability for Conversion (Account 203)</u>		
16			
17			
18			
19			
20	TOTALS	0	\$0
21			
22	<u>Preferred Stock Liability for Conversion (Account 206)</u>		
23			
24			
25			
26			
27	TOTALS	0	\$0
28			
29	<u>Premium on Capital Stock (Account 207)</u>		
30			
31			
32			
33			
34			
35			
36	TOTALS	0	\$0
37			
38	<u>Installments Received on Capital Stock (Account 212)</u>		
39			
40			
41			
42			
43			
44			
45			
46	TOTALS	0	\$0

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with the balance sheet. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	<u>Donations Received from Stockholders (Account 208)</u>	
2		
3		
4		
5		
6		
7		
8	Subtotal	\$0
9		
10	<u>Reduction in Par or Stated Value of Common Stock (Account 209)</u>	
11		
12		
13		
14		
15		
16		
17	Subtotal	\$0
18		
19	<u>Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)</u>	
20		
21		
22		
23		
24		
25		
26	Subtotal	\$0
27		
28	<u>Miscellaneous Paid-In Capital (Account 211)</u>	
29		
30		
31		
32		
33		
34		
35	Subtotal	\$0
36		
37		
38		
39		
40	TOTAL	\$0

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2	N/A	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
31		
32		
33		
34		
35		
36		
32		
33		
34		
35		
36		
37	TOTAL	\$0

NOTES PAYABLE (Account 231)

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Furnish particulars for any formal or informal compensating balance agreements covering open lines of credit.
4. Any demand notes should be designated as such in Column (c).
5. Minor amounts may be grouped by classes, showing the number of such amounts.
6. Report in total, all other interest accrued and paid on notes discharged during the year.

Line No.	PAYEE AND INTEREST RATE (a)	DATE OF NOTE (b)	DATE OF MATURITY (c)	Outstanding at End of Year (d)	INTEREST DURING YEAR	
					ACCRUED (e)	PAID (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTALS			\$0	\$0	\$0

PAYABLES TO ASSOCIATED COMPANIES (ACCOUNTS 233 and 234)

1. Report particulars of notes and accounts payable to associated companies to end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies.
3. List each note separately and state the purpose for which issued. Show also in Column (a) date of note, maturity and interest rate.
4. Include in Column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

Line No.	PARTICULARS (a)	BALANCE BEGINNING OF YEAR (b)	TOTAL FOR YEAR		BALANCE END OF YEAR (e)	INTEREST FOR YEAR (f)
			DEBITS (c)	CREDITS (d)		
1						
2						
3						
4	Heritage Woods LLC	3,453,157	0	0	3,453,157	122,875
5						
6						
7	TOTALS (ACCOUNT 233)	3,453,157	0	0	3,453,157	122,875
8						
9						
10	Heritage Woods LLC	345,278	122,875	122,875	345,278	0
11						
12						
13						
14						
15	TOTALS (ACCOUNT 234)	\$345,278	\$122,875	\$122,875	\$345,278	\$0

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.

2. In column (a), for new issues, give Commission authorization numbers and dates.

3. For bonds assumed by the respondent, include in column(a) the name of the issuing company as well as a description of the bonds.

4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column(a) names of associated companies from which advances were received.

5. For receivers' certificates, show in column(a) the name of the court and date of court order under which such certificates were issued.

6. In column(b) show the principal amount of bonds or other long-term debt originally issued.

7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.

9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)	Principal Amount of Debt Issued	Total Expense, Premium or Discount
	(a)	(b)	(c)
1	<u>Bonds (Account 221)</u>		
2			
3			
4	NONE		
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20	Subtotal	\$0	\$0
21			
22	<u>Reacquired Bonds (Account 222)</u>		
23			
24			
25			
26			
27			
28	Subtotal	\$0	\$0
29			
30	<u>From Insert Page</u>		
31	Advances from Associated Companies (Account 223)	0	0
32	Other Long Term Debt (Account 224)	2,500,000	0
33	TOTAL	\$2,500,000	\$0

T (Accounts 221, 222, 223, and 224) (Continued)

10. Identify separate indisposed amounts applicable to issues which were redeemed in prior years.

11. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

12. In a footnote, give explanatory particulars (details) for Accounts 223 and 224 of net charges during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

13. If the respondent has pledged any of its long-term debt

securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.

14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued

Nominal Date of Issue	Date of Maturity	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From	Date To			
(d)	(e)	(f)	(g)	(h)	(i)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
				\$0	\$0	20
						21
						22
						23
						24
						25
						26
						27
				\$0	\$0	28
						29
						30
				0	0	31
				0	0	32
				\$0	\$0	33

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)			
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)	Principal Amount of Debt Issued	Total Expense, Premium or Discount
	(a)	(b)	(c)
1	<u>Advances from Associated Companies (Account 223)</u>		
2			
3			
4			
5			
6			
7			
8	Subtotal	\$0	\$0
9			
10	<u>Other Long Term Debt (Account 224)</u>		
11			
12			
13	Peoples Bank Mortgage Note - 3.84%	2,500,000	
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45	Subtotal	\$2,500,000	\$0
46			
47			
48			

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)						
Nominal Date of Issue	Date of Maturity	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
(d)	(e)	(f)	(g)	(h)	(i)	
7/22/2004	8/1/2019					1
						2
						3
						4
						5
						6
						7
				\$0	\$0	8
				0	0	9
						10
						11
						12
						13
						14
						15
						16
						17
				LESS UNAMORTIZED DEBT ISSUANCE COSTS	(5,902)	18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
	Federal:					
1	Income Taxes	\$0	\$0	\$61,229	\$106,120	
2	FICA Contribution					
3	Unemployment					
4	Other					
5	Total	0	0	61,229	106,120	0
	State:					
6	Franchise - Gross Income - 186a	0	7,261	20,629	22,966	0
7	Franchise - Gross Earnings - 186	0		0	0	
8	Franchise - Excess Dividends - 186					
9	Temporary Surcharges					
10	Sec. 186a (Gross Income)					
11	Sec. 186 (Gross Earnings)					
12	Sec. 186 (Excess Dividends)					
13	MTA Surcharge					
14	Unemployment Insurance					
15	Disability Insurance					
16	Sales and Use					
17	Petroleum Business Tax - New York					
18	Other					
18	Total	0	7,261	20,629	22,966	0
	Local:					
19	Real Estate	0		372,689	372,689	
20	Special Franchise					
21	Municipal Gross Income					
22	NYC Special Franchise					
23	Public Utility Excise					
24	Sales and Use					
25	Other					
26	Total	0	0	372,689	372,689	0
27	Other (list):					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	TOTAL	\$0	\$7,261	\$454,547	\$501,775	\$0

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in columns (i) through (q) how the taxes were distributed.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED (Show utility dept. where applicable and acct. charged.)				Line No.
(Taxes Accrued Account 236) (g)	Prepaid Taxes (Incl. in Acct. 165) (h)	Water (Account 408.1,409.1) (i)	(j)	Other Utility Depts. (Account 408.1,409.1) (k)	Other Utility Operating Income (Account 408.1,409.1) (l)	
\$0	\$44,891					1
						2
						3
						4
0	44,891	0		0	0	5
0	9,598					6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
0	9,598	0		0	0	18
		372,689				19
						20
						21
						22
						23
						24
						25
0	0	372,689		0	0	26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
\$0	\$54,489	\$372,689	\$0	\$0	\$0	40

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
DISTRIBUTION OF TAXES CHARGED (Show utility dept. where applicable and acct. charged.)						
Line No.	Kind of Tax (See Instruction 5) (a)	Other Income and Deductions Account 408.2, 409.2 (m)	Extraordinary Items (Account 409.3) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	Other (q)
1	Federal:					
2	Income Taxes					
3	FICA Contribution					
4	Unemployment					
5	Other					
5	Total	0	0	0	0	0
6	State:					
6	Franchise - Gross Income - 186a	0				
7	Franchise - Gross Earnings - 186					
8	Franchise - Excess Dividends - 186					
9	Temporary Surcharges					
9	Sec. 186a (Gross Income)					
10	Sec. 186 (Gross Earnings)	0				
11	Sec. 186 (Excess Dividends)					
12	MTA Surcharge					
13	Unemployment Insurance					
14	Disability Insurance					
15	Sales and Use					
16	Petroleum Business Tax - New York					
17	Other					
18	Total	0	0	0	0	0
19	Local:					
19	Real Estate	0				
20	Special Franchise					
21	Municipal Gross Income					
22	NYC Special Franchise					
23	Public Utility Excise					
24	Sales and Use					
25	Other					
26	Total	0	0	0	0	0
27	Other (list):					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	TOTAL	\$0	\$0	\$0	\$0	\$0

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OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items may be grouped by classes showing the number of items in each class.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						\$0
2	N/A					0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30						0
31						0
32						0
33						0
34						0
35						0
36						0
37						0
38						0
39						0
40						0
41						0
42						0
43						0
44						0
45						0
46						0
47	TOTAL	\$0		\$0	\$0	\$0

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Water Utility						
2							
3	N/A						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19	SUBTOTAL	\$0		\$0		\$0	\$0
20	Other						
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39	SUBTOTAL	\$0		\$0		\$0	\$0
40	TOTAL	\$0		\$0		\$0	\$0

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)			
Balance at End Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation	Line No.
			1
			2
\$0			3
0			4
0			5
0			6
0			7
0			8
0			9
0			10
0			11
0			12
0			13
0			14
0			15
0			16
0			17
0			18
\$0			19
			20
\$0			21
0			22
0			23
0			24
0			25
0			26
0			27
0			28
0			29
0			30
0			31
0			32
0			33
0			34
0			35
0			36
0			37
0			38
\$0			39
\$0			40

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ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, and 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.

2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited To Account 410.1 (c)	Amounts Credited To Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Water			
3	Pollution Control			
4	Defense Facilities			
5	Other			
6				
7				
8	TOTAL WATER (Enter Total of lines 3 thru 7)	0	0	0
9	Other (Specify)			
10	TOTAL (Account 281)(Total of 8 and 9)	\$0	\$0	\$0
	Liberalized Depreciation (Account 282)			
11	Water			
12				
13				
14				
15				
16				
17	TOTAL WATER (Enter Total of lines 12 thru 16)	0	0	0
18	Other (Specify)			
19	TOTAL (Account 282)(Total of 17 and 18)	\$0	\$0	\$0
	Other (Account 283)			
21	Water			
22				
23				
24				
25				
26				
27				
28				
29				
30	TOTAL WATER (Enter Total of lines 22 thru 29)	0	0	0
31	Other (Specify)			
32	TOTAL (Account 283)(Total of 30 and 31)	\$0	\$0	\$0
33	TOTAL (Accounts 281, 282, 283)			
34	Water	\$0	\$0	\$0
35	Other	0	0	0
36	TOTAL	\$0	\$0	\$0

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, and 283)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited To Account 410.2 (e)	Amounts Credited To Account 411.2 (f)	Debits		Credits			
		Acct. Credited (g)	Amount (h)	Acct. Debited (i)	Amount (j)		
							1
							2
						\$0	3
						0	4
						0	5
						0	6
						0	7
0	0		0		0	0	8
						0	9
\$0	\$0		\$0		\$0	\$0	10
							11
						\$0	12
						0	13
						0	14
						0	15
						0	16
0	0		0		0	0	17
						0	18
\$0	\$0		\$0		\$0	\$0	19
							20
							21
						\$0	22
						0	23
						0	24
						0	25
						0	26
						0	27
						0	28
						0	29
0	0		0		0	0	30
						0	31
\$0	\$0		\$0		\$0	\$0	32
							33
\$0	\$0		\$0		\$0	\$0	34
0	0		0		0	0	35
\$0	\$0		\$0		\$0	\$0	36

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

Excess/Deficient Deferred Federal Income Tax Balances*

1. Report below the specified excess/deficient accumulated deferred Federal income taxes as of December 31 of the reporting year.
2. Protected amounts are accumulated deferred taxes that are depreciation related and are protected from rapid write-back by Section 203 (e) of the Tax Reform Act of 1986.
3. Unprotected amounts are those accumulated deferred taxes that are not subject to Section 203 (e) of the Tax Reform Act of 1986.
4. Excess/deficient deferred taxes result when there is a reduction/increase in the statutory income tax rate (e.g.. TRA-86 & Revenue Reconciliation Act of 1993) & the deferred tax balances provided are greater/less than the enacted tax rate, all calculated on a vintage year basis.

Line No.	Item (a)	Debits	Credits			Total (f)
		Account 190 (b)	Account 281 (c)	Account 282 (d)	Account 283 (e)	
	<u>Excess Deferred Taxes</u>					
1	Protected Excess Deferred Taxes					\$0
2	Unprotected Excess Deferred Taxes					0
3	Total Excess Deferred Taxes	\$0	\$0	\$0	\$0	\$0
	<u>Deficient Deferred Taxes</u>					
	Deficient Deferred FIT Balance Related to:					
4	1986 & Prior Vintage Yr. Assets/Liab.					\$0
5	1987 to Current Vintage Yr. Assets/Liabs.					0
	Average Remaining Amortization Period for:					
6	Protected Excess Deferred FIT Balance					0
7	Unprotected Excess Deferred FIT Balance					0
8	Deficient Deferred FIT Balance					\$0

*NOTE: Do not include deferred Federal income taxes recorded purely from the implementation of FAS-109, Accounting for Income Taxes

TEMPORARY INCOME TAX DIFFERENCES - SFAS 109

1. Report below the accumulated deferred Federal income tax assets/liabilities, as of December 31 of the reporting year, that result purely from the implementation of SFAS - 109, "Accounting for Income Taxes", and in accordance with the Commission's associated Policy Statement (issued January 15, 1993), in Case 92-M-1005.

Line No.	Item (a)	Debits	Credits			
		Account 190 (b)	Account 281 (c)	Account 282 (d)	Account 283 (e)	Total (f)
	<u>AFUDC</u>					
1	AFUDC - Net of Tax - Plant					\$0
2	AFUDC - Equity Component - Plant	N/A				0
3	Other Net of Tax Items (specify)					0
4						0
	<u>Prior Flow-Through Items</u>					
5	Depreciation					0
6	Asset Base Difference (non - ITC)					0
7	Other (specify)					0
8						0
	<u>ITC</u>					
9	Section 46(f)(1) ITC					0
10	Section 46(f)(2) ITC					0
11						0
	<u>Other Items</u>					
12						0
13						0
14						0
15						0
16	Total	\$0	\$0	\$0	\$0	\$0
17	Gross-up of above amounts for income tax effects; etc.					

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WATER OPERATING REVENUES (Account 400)

1. Report below water operating revenues for the year for each account.
2. Number of customers, columns (h) and (i), should be reported on the number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters so added. The average number of customers means the average of twelve figures at the close of each month. If customer count in the residential and commercial classifications includes customers counted more than once because of special services, indicate in a footnote the number of such customers included in each of the two service classifications.
3. If preceding year columns (e), (g) and (i) are not derived from previously reported figures, explain any inconsistencies.

Line No. (a)	Account No. (b)	Account Title (c)	Operating Revenues		Number of Thousand Gallons Sold		Average Number of Customers Per Month	
			Amount for Year (d)	Amount for Previous Year (e)	Amount for Year (f)	Amount for Previous Year (g)	Number for Year (h)	Number for Previous Year (i)
1		SALES OF WATER						
2	460.1, 461.1	Residential Sales	\$1,321,237	\$1,331,565	83,793	82,976	2,606	2,606
3	460.2, 461.2	Commercial Sales	49,045	53,786	5,478	6,676	37	37
4	460.3, 461.3	Industrial Sales						
5	462	Private Fire Protection Service	2,051	2,051	0	0	2,606	2,606
6	463	Public Fire Protection Service	74,075	74,258	0	0	37	37
7	464	Other Sales to Public Authorities						
8	465	Sales to Irrigation Customers						
9	466	Sales for Resale						
10	467	Interdepartmental Sales						
11		Total Sales of Water	1,446,408	1,461,660	89,271	89,652		
12								
13		OTHER OPERATING REVENUES						
14	470	Forfeited Discounts						
15	471	Misc. Service Revenues - Bad Debt Recovery						
16	472	Rent from Water Property						
17	473	Interdepartmental Rents						
18	474	Other Water Revenues - NY State Assessment	(20,636)	28,494				
		- Meter Replacement Surcharge	30,906	25,901				
19		Total Other Operating Revenues	10,270	54,395				
20		Total Water Operating Revenues	\$1,456,678	\$1,516,055				

BILLING ROUTINE - WATER

Report the following information in days for Accounts 460 and 461:

1. The period for which bills are rendered.
2. The period between the date meters are read and the date customers are billed.
3. The period between the billing date and the date on which discounts are forfeited.

SALES OF WATER BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the thousand gallons sold, revenue, average number of customers, average thousand gallons sold per customer, and average revenue per thousand gallons.

2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Water Operating Revenues," page 300. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.

3. Where the same customers are served under more than one rate schedule in the same revenue account classification, the entries in column (d) for the special schedule should denote the duplication in number of reported customers.

4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).

Line No.	Number and Title of Rate Schedule (a)	Thousand Gallons Sold (b)	Revenue (c)	Average Number of Customers (d)	Thousand Gallons Per Customer (e)	Revenue Per Thousand Gallons (f)
1						
2						
3	<u>Ninth Revised Leaf # 67 Case 08-W-1201</u>	83,793	\$451,644	2,606	32	\$5.39
4						
5						
6						
7						
8	TOTALS (Accounts 460.1, 461.1)	83,793	\$451,644	2,606	32	\$5.39
9						
10						
11	<u>Ninth Revised Leaf # 67 Case 08-W-1201</u>	5,478	\$29,526	37	148	\$5.39
12						
13						
14						
15						
16	TOTALS (Accounts 460.2, 461.2)	5,478	\$29,526	37	148	\$5.39
17						
18						
19						
20						
21						
22						
23						
24	TOTALS (Accounts 460.3, 461.3)	0	\$0	0		
25						
26						
27						
28						
29						
30	TOTALS (Account 462)	0	\$0	0		
31						
32						
33						
34						
35						
36	TOTALS (Account 463)	0	\$0	0		
37						
38						
39						
40						
41						
42	TOTALS (Account 464)	0	\$0	0		
43						
44						
45						
46						
47						
48	TOTALS (Account 465)	0	\$0	0		

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SALES OF WATER BY MUNICIPALITIES

1. Report below the information called for concerning each city, village, town, or water supply district at any time during the year. If service is restricted to a portion of a city, designate the boroughs or area covered by the respondent's operations.

2. If any items were determined by estimate or apportionment, state that fact and give full particulars in a footnote.

Line No.	Name of Municipality (a)	Residential			Commercial		
		Operating Revenues (b)	Thousand Gallons (c)	Average Number of Customers (d)	Operating Revenues (e)	Thousand Gallons (f)	Average Number of Customers (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47	TOTAL SALES	\$0	0	0	\$0	0	0

SALES OF WATER BY MUNICIPALITIES (CONTINUED)

3. The information to be shown below should be the same basis as provided in "Water Operating Revenues".

4. The totals should agree with the amounts for those accounts shown in Schedule entitled "Water Operating Revenues".

Industrial			Private Fire Protection Service			Public Fire Protection Service			Line No.
Operating Revenues (h)	Thousand Gallons (i)	Average Number of Customers (j)	Operating Revenues (k)	Thousand Gallons (l)	Average Number of Customers (m)	Operating Revenues (n)	Thousand Gallons (o)	Average Number of Customers (q)	
									1
									2
									3
									4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
									22
									23
									24
									25
									26
									27
									28
									29
									30
									31
									32
									33
									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
									44
									45
									46
\$0	0	0	\$0	0	0	\$0	0	0	47

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SALES OF WATER BY MUNICIPALITIES							
Line No.	Name of Municipality (a)	Other Sales to Public Authorities			Sales to Irrigation Customers		
		Operating Revenues (b)	Thousand Gallons (c)	Average Number of Customers (d)	Operating Revenues (e)	Thousand Gallons (f)	Average Number of Customers (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47	TOTAL SALES	\$0	0	0	\$0	0	0

SALES FOR RESALE AND PURCHASED WATER (Account 466 and 602)

Report below particulars of sales or purchases for redistribution during the year.

Line No.	Sold To (a)	Thousand Gallons Supplied (b)	Revenue (c)	Average per Thousand Gallons (Cents) (d)	Purchased From (e)	Thousand Gallons Purchased (f)	Cost (g)	Average per Thousand Gallons (Cents) (h)
1	N/A							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33	TOTAL	0	\$0	0.00	TOTAL	0	\$0	0.00

MISCELLANEOUS SERVICE REVENUES AND OTHER WATER REVENUES (ACCOUNT 471, 474)

1. Report particulars concerning other water revenues derived from water utility operations during the year.
Provide a subheading and amount for each classification of Account 474.

2. Designate associated companies.

3. Minor items may be grouped by classes.

LINE NO.	DESCRIPTION OF SERVICE (a)	Amount of Revenue for Year (b)
1	N/A	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL (Account 471)	\$0
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47	TOTAL (Account 474)	\$0

WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
1	1. SOURCE OF SUPPLY EXPENSES		
2	OPERATIONS		
3	600 OPERATION SUPERVISION AND ENGINEERING		
4	601 OPERATION LABOR & EXPENSES	0	0
5	602 PURCHASED WATER		
6	603 MISCELLANEOUS EXPENSES		
7	604 RENTS		
8	TOTAL OPERATION	0	0
9	MAINTENANCE		
10	610 MAINTENANCE SUPERVISION & ENGINEERING		
11	611 MAINTENANCE OF STRUCTURES & IMPROVEMENTS	0	0
12	612 MAINTENANCE OF COLLECTING & IMPOUNDING RESERVOIRS		
13	613 MAINTENANCE OF LAKE, RIVER & OTHER INTAKES		
14	614 MAINTENANCE OF WELLS & SPRINGS	1,015	7,435
15	615 MAINTENANCE OF INFILTRATION GALLERIES & TUNNELS		
16	616 MAINTENANCE OF SUPPLY MAINS		
17	617 MAINTENANCE OF MISCELLANEOUS WATER RESOURCE PLANT		
18	TOTAL MAINTENANCE	1,015	7,435
19	TOTAL SOURCE OF SUPPLY EXPENSE	1,015	7,435
20	2. PUMPING EXPENSES		
21	OPERATIONS		
22	620 OPERATIONS SUPERVISION AND ENGINEERING		
23	621 FUEL FOR POWER PRODUCTION		
24	622 POWER PRODUCTION LABOR AND EXPENSES		
25	623 FUEL OR POWER PURCHASED FOR PUMPING	63,724	65,935
26	624 PUMPING AND LABOR EXPENSES	11,344	6,881
27	625 EXPENSES TRANSFERRED - CREDIT		
28	626 MISCELLANEOUS EXPENSES	7,729	6,503
29	627 RENTS		
30	TOTAL OPERATIONS	82,797	79,319
31	MAINTENANCE		
32	630 MAINTENANCE SUPERVISION AND ENGINEERING		
33	631 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS	0	0
34	632 MAINTENANCE OF POWER PRODUCTION IMPROVEMENTS	2,341	2,699
35	633 MAINTENANCE OF PUMPING EQUIPMENT	5,556	704
36	TOTAL MAINTENANCE	7,897	3,403
37	TOTAL PUMPING EXPENSES	90,694	82,722
38	3. WATER TREATMENT EXPENSES		
39	OPERATION		
40	640 OPERATION SUPERVISION AND ENGINEERING		
41	641 CHEMICALS	21,593	20,912
42	642 OPERATION AND LABOR EXPENSE	4,156	7,294
43	643 MISCELLANEOUS EXPENSES		
44	644 RENTS		
45	TOTAL OPERATION	25,749	28,206

WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
46	MAINTENANCE		
47	650 MAINTENANCE SUPERVISION AND ENGINEERING		
48	651 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS	0	0
49	652 MAINTENANCE OF WATER TREATMENT EQUIPMENT	3,128	6,647
50	TOTAL MAINTENANCE	3,128	6,647
51	TOTAL WATER TREATMENT EXPENSES	28,877	34,853
52	4. TRANSMISSION AND DISTRIBUTION EXPENSES		
53			
54	OPERATION		
55	660 OPERATION SUPERVISION AND ENGINEERING		
56	661 STORAGE FACILITIES EXPENSE		
57	662 TRANSMISSION AND DISTRIBUTION LINE EXPENSES		
58	663 METER EXPENSES		
59	664 CUSTOMER INSTALLATIONS EXPENSE	42,607	55,852
60	665 MISC EXPENSES		
61	666 RENTS		
62	TOTAL OPERATION	42,607	55,852
63	MAINTENANCE		
64	670 MAINTENANCE SUPERVISION AND ENGINEERING		
65	671 MAINTENANCE OF STRUCTURES AND IMPROVEMENTS		
66	672 MAINTENANCE OF DISTRIBUTION RESERVOIRS AND STANDPIPE	21,965	11,778
67	673 MAINTENANCE OF TRANSMISSION AND DISTRIBUTION MAINS	3,669	7,560
68	674 MAINTENANCE OF FIRE MAINS		
69	675 MAINTENANCE OF SERVICES	34,736	37,210
70	676 MAINTENANCE OF METERS	10	0
71	677 MAINTENANCE OF HYDRANTS	200	4,894
72	678 MAINTENANCE OF MISCELLANEOUS PLANTS		
73	TOTAL MAINTENANCE	60,580	61,442
74	TOTAL TRANSMISSION & DISTRIBUTION EXPENSE	103,187	117,294
75			
79	5. CUSTOMER ACCOUNTS EXPENSES		
80			
81			
82	901 SUPERVISION		
83	902 METER READING EXPENSES		
84	903 CUSTOMER RECORDS AND COLLECTION EXPENSES		
85	904 UNCOLLECTIBLE ACCOUNTS	(2,888)	4,062
86	905 MISC CUSTOMER ACCOUNT EXPENSES		
87	TOTAL CUSTOMER ACCOUNT EXPENSES	(2,888)	4,062

WATER OPERATION AND MAINTENANCE EXPENSES (Accounts 401 - 402.1)

Enter in the space provided the operation and maintenance expenses for the year and previous year.

LINE NO.	ACCOUNT (a)	AMOUNT FOR CURRENT YEAR (b)	AMOUNT FOR PREVIOUS YEAR (c)
88	6. SALES EXPENSES		
89	OPERATIONS		
90	910 SALES EXPENSES		
91			
92	7. ADMINISTRATIVE AND GENERAL EXPENSES		
93	OPERATIONS		
94	920 ADMINISTRATION & GENERAL SALARIES		
95	921 OFFICE SUPPLIES & OTHER EXPENSES	22,915	23,679
96	922 ADMINISTRATIVE EXPENSES TRANSFERRED - CR.		
97	923 OUTSIDE SERVICES EMPLOYED	207,770	297,300
98	924 PROPERTY INSURANCE	29,367	29,134
99	925 INJURIES AND DAMAGES		
100	926 EMPLOYEE PENSIONS AND BENEFITS		
101	927 FRANCHISE REQUIREMENTS		
102	928 REGULATORY COMMISSION EXPENSES	7,939	11,014
103	929 DUPLICATE CHARGES - (CREDIT)		
104	930 MISCELLANEOUS GENERAL EXPENSES		
105	931.1 GENERAL RENTS		
106	931.2 EXPENSES OF DATA PROCESSING EQUIPMENT		
107			
108	TOTAL OPERATION	267,991	361,127
109	MAINTENANCE		
110	932 MAINTENANCE OF GENERAL PLANT		
111	TOTAL MAINTENANCE	0	0
113	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	267,991	361,127
114			
115			
116			
117	TOTAL WATER O&M EXPENSES - SUM OF 7 CATEGORIES ABOVE	\$488,876	\$607,493

NUMBER OF WATER DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending December 31, or any payroll period ending 60 days before December 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a

3. The number of employees assignable to the water company from joint functions of the parent or affiliates may be determined by estimate, on the basis of employee equivalents.

1.	Payroll Period ended (Date)	
2.	Total Regular Full-Time Employees	
3.	Total Part-Time and Temporary Employees	
4.	Total Employees	0

FUEL OR POWER PURCHASED FOR PUMPING (ACCOUNT 623)

Show the requested information concerning items includible in account 623, Fuel or Power
Purchased for Pumping during the year.

Line No.	Name of Vendor (a)	Kind of Power (b)	Number of units purchased or transferred (c)	Amount (d)
1	NYSE&G			63,724
2				
3				
4				
5				
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48				
49	TOTAL		0	\$63,724

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DEPRECIATION AND AMORTIZATION OF WATER PLANT (Accounts 403, 404, 405)

(Except amortization of acquisition adjustments)

1. Report in section A for the year amounts of depreciation expense (account 403) according to plant functional classifications, amortization of limited-term water Plant (Account 404); and (c) Amortization of Other Water Plant (Account 405).
2. Report in section B the rates used to compute amortization charges for water plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in section C every fifth year beginning with report year 1972, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
- Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of section C the type of plant included in any subaccounts used.
- In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
- For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant.
- If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization of Limited-Term Water Plant (Acct. 404) (c)	Amortization of Other Water Plant (Acct. 405) (d)	Total (e)
1	Intangible Plant				\$0
2	Source of Supply	21,962			21,962
3	Pumping Plant	3,566			3,566
4	Water Treatment Plant	3,232			3,232
5	Transmission and Distribution Plant	89,133		36,290	125,423
6	General Plant	172			172
7	Common Plant-Water				0
8	TOTAL	\$118,065	\$0	\$36,290	\$154,355

B. Basis for Amortization Charges

DEPRECIATION AND AMORTIZATION OF WATER PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. Rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
9		N/A					
10							
11							
12							
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MISCELLANEOUS GENERAL EXPENSES (Account 930)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Experimental and general research expenses	
3	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	
4	Other Expenses (List items of \$1,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$1,000 by classes if the number of items so grouped is shown).	
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49	TOTAL	\$0

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete line 27 and provide the substitute page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 118)	\$212,701
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6	Federal Tax Expense	61,229
7	State Tax Expense	20,629
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Depreciation	118,065
11	Loss on meter exchange	7,285
12	Deferred tax provision	14,000
13	Decrease in Allowance for Doubtful Accounts	747
14	Income Recorded on Books Not Included in Return	
15	Deferred tax benefit	
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Depreciation	174,676
21	Loss on meter exchange	977
22	Utilization of prior net operating loss carry forwards	
23		
24		
25		
26		
27	Federal Tax Net Income	\$259,003
28	Show Computation of Tax:	
29		
30	Utilization of NOL Carryforward - Federal	(38,424)
31	State Tax Expense	(20,629)
32		
33	Total Federal Tax Net Income	199,950
34		
35		
36	\$22,250 + 39% over \$100,000 Total Federal Tax	61,229
37		
38		
39		
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41		
42		
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44		

INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK (Accounts 415 and 416)

1. Report by utility departments the revenues, costs, expenses, and net income from merchandising, jobbing and contract work during the year. Report also the applicable taxes included in Accounts 408 and 409 and income after such taxes. Give the bases of any allocation of expenses between utility and merchandising, jobbing and contract work activities.

LINE NO.	ITEM (a)	WATER DEPARTMENT (b)	(c)	(d)	TOTAL (e)
1	Revenues:				
2	Merchandise sales, less discounts, allowances and returns	N/A			\$0
3	Contract work				0
4	Commissions				0
5	Other (list according to major classes)				0
6					0
7					0
8					0
9					0
10	Total Revenues	\$0	\$0	\$0	\$0
11					
12					
13	Costs and Expenses:				
14	Costs of Sales (list according to major classes of costs)				\$0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23					0
24					0
25					0
26	Sales expenses				0
27	Customer accounts expenses				0
28	Administrative and general expenses				0
29	Depreciation				0
30	Total Costs and Expenses	\$0	\$0	\$0	\$0
31					
32					
33					
34	Net Income (before taxes)	\$0	\$0	\$0	\$0
35					
36	Taxes:(408,409)				
37	Federal				0
38	State				0
39	Other				0
40					
41	Total Taxes	\$0	\$0	\$0	\$0
42					
43					
44					
45	Net Income (after taxes)	\$0	\$0	\$0	\$0

PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

Report the information specified below, in the order given, for the respective other income accounts. Provide a subheading for each account and show a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Income from Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation, maintenance, depreciation, rents, amortization and net income, before

taxes from operations. Give the basis of any allocation of expenses between utility/nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

(b) Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and the amount thereof for the year. Minor items may be grouped.

Line No.	Item (a)	Amount (b)
1	<u>Income from Nonutility Operations (Accounts 417 and 417.1)</u>	
2		
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23		
24		
25	TOTAL	\$0
26	<u>Miscellaneous Nonoperating Income (Account 421)</u>	
27		
28	Returned Ck Fees	20
29		
30	Misc Income - Voided Sale of Plant Deposit	26,000
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	TOTAL	\$26,020

GAIN OR LOSS ON DISPOSITION OF PROPERTY (Accounts 421.1 and 421.2)					
<p>1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.</p> <p>2. Individual gains or losses relating to property with an</p>		<p>original cost of less than \$2,500 may be grouped, with the number of such transactions disclosed in column (a).</p> <p>3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). See Account 102, Utility Plant Purchased or Sold).</p>			
Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	<u>Gain on Disposition of Property:</u>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	TOTAL GAIN			\$0	
16	<u>Loss on Disposition of Property:</u>				
17					
18					
19	176 Meters - Residential & Commercial - Replacement Program Year 6	\$ 19,677	Various		7,285
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30	TOTAL LOSS				\$7,285

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other

Deductions, of the Uniform System of Accounts. Amounts of less than \$1,000 may be grouped by classes within the above subaccounts if the number of items so grouped is shown.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431)-Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	<u>Miscellaneous Amortization (Account 425)</u>	
2		
3		
4		
5		
6		
7		
8		
9		
10	Total Misc. Amortization	\$0
11	<u>Donations (Account 426.1)</u>	
12		
13		
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39		
40	Total Donations	\$0
41		

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Line No.	Item (a)	Amount (b)
1	<u>Life Insurance (Account 426.2)</u>	
2		
3		
4		
5		
6		
7	Total Life Insurance	\$0
8	<u>Penalties (Account 426.3)</u>	
9		
10		
11		
12		
13		
14		
15	Total Penalties	\$0
16	<u>Expenditures for Certain Civic, Political, and Related Activities (Account 426.4)</u>	
17		
18		
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52	Total Exp. for Certain Civic, Political and Related Activities	\$0

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Line No.	Item (a)	Amount (b)
1	<u>Other Deductions (Account 426.5)</u>	
2		
3		
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13		
14		
15	Total Other Deductions	\$0
16	<u>Interest on Debt to Associated Companies (Account 430)</u>	
17		
18	Heritage Woods LLC	122,875
19		
20		
21		
22		
23		
24		
25		
26	Total Interest on Debt to Associated Companies	\$122,875
27	<u>Other Interest Expense (Account 431)</u>	
28		
29		
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32		
33		
34		
35	Total Other Interest Expense	\$0
36		
37		
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EXTRAORDINARY ITEMS (Accounts 434 and 435)

1. Give below a brief description of each item included in accounts 434, Extraordinary Income and 435, Extraordinary Deductions.
2. Give reference to Commission approval, including date of approval, for extraordinary treatment of any item which amounts to less than 5% of income. (See General Instruction section 561.7 of the applicable Uniform System of Accounts.
3. Income tax effects relating to each extraordinary item should be listed in Column (c).

LINE NO.	DESCRIPTION OF ITEMS (a)	GROSS AMOUNT (b)	RELATED FEDERAL TAXES (c)
1	Extraordinary Income (Account 434):		
2			
3	N/A		
4			
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6			
7			
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9			
10			
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21	Total Extraordinary Income	\$0	\$0
22	Extraordinary Deductions (Account 435):		
23			
24			
25			
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45			
46	Total Extraordinary Deductions	\$0	\$0
47	Net Extraordinary Items	\$0	\$0

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REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. Report in columns (b) and (c) only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses for Current Year (b) + (c) (d)	Deferred in Account 186 Beginning of Year (e)
1	NYS Dept of Public Services Ninth Revised Leaf # 69 Case 08-W-1201	7,939		7,939	
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46	TOTAL	\$7,939	\$0	\$7,939	\$0

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

5. Minor items may be grouped.

Expenses Incurred During Year				Amortized During Year			
Charged Currently to			Deferred to Account 186	Contra Account	Amount	Deferred in Account 186 End of Year	Line No.
Department (f)	Account No. (g)	Amount (h)					
					0	0	1
							2
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		\$0	\$0		\$0	\$0	46

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RESEARCH AND DEVELOPMENT ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research and development (R & D) project initiated, continued, or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R & D work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others. (See definition of research, development, and demonstration in Uniform System of Accounts.)

2. Indicate in column (a) the class of plant or operating function for which the project was undertaken, if payments were made in support of research by others performed outside the company, state the name of the person or organization to whom such payments were made.

3. Include in column (c) all R & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped.

Line No.	Classification (a)	Description (b)
1		
2		N/A
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37		
38	Total	

RESEARCH AND DEVELOPMENT ACTIVITIES(Continued)

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e).
 5. Show in column (g) the total unamortized accumulation of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
 7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred - Current Year		AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
Internal (c)	External (d)	Account (e)	Amount (f)		
					1
					2
					3
					4
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\$0	\$0		\$0	\$0	38

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate

lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1				
2	Operation			
3	Source of Supply			
4	Pumping			
5	Water Treatment			
6	Transmission and Distribution			
7	Customer Accounts			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Enter Total of lines 3 thru 9)	0		
11	Maintenance			
12	Source of Supply			
13	Pumping			
14	Water Treatment			
15	Transmission and Distribution			
16	Administrative and General			
17	TOTAL Maint. (Total of lines 12 thru 16)	0		
18	Total Operation and Maintenance			
19	Source of Supply	0		
20	Pumping	0		
21	Water Treatment	0		
22	Transmission and Distribution	0		
23	Customer Accounts	0		
24	Sales	0		
25	Administrative and General	0		
26	TOTAL Oper. and Maint. (Total of lines 19 thru 25)	0		0
27	UTILITY PLANT			
28	Construction (By Utility Departments)			
29	Water Plant			0
30	Other			0
31	TOTAL Construction (Total of lines 29 thru 30)	0	0	0
32	Plant Removal (By Utility Departments)			
33	Water Plant			0
34	Other			0
35	TOTAL Plant Removal (Total of lines 33 thru 34)	0	0	0
36	Other Accounts (Specify):			0
37	TOTAL Salaries and Wages	0	0	0

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Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$1,000 in the case of a Class B company or \$5,000 in the case of a Class A company, including payments for legislative services, except those which should be reported in Account 426.4, Expenditures for Certain Civic, Political and Related Activities.
- (a) name of person or organization rendering services in alphabetical order,
 (b) description of services received during year and project or case to which services relate,
 (c) basis of charges,
 (d) total charges for the year detailing utility department..
2. Designate with an asterisk associated companies.

Line No.	Vendor	Description of Services	Basis	Total Charges
1	Camo Pollutions Control, Inc.	Operations and Management	Flat Fee	65,520
2	Heritage Development Group, Inc. *	Management, Financial, Planning, Purchasing, Clerical	Flat Fee	122,911
3	Alfredo Property Management, Inc.	Maintenance Services	Flat Fee	7,114
4	O'Connor Davies, LLP	Audit & Preparation of Financial Statements	Flat Fee	11,900
5	E. Stewart, Jones, Hacker & Murphy	legal - Tax Protest	Hourly	3,988
6	Read & Laniado , LLP	Legal - Sale of Company	Hourly	3,019
7				
8				
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES				
Line No.	Vendor	Description of Services	Basis	Total Charges
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Employee Protective Plans

Report a summary of each employee program in effect at any time during the year. This schedule is intended to cover pension, profit sharing, group life insurance, accident and sickness, medical, hospital, prescription drugs, guaranteed annual wage, severance pay, and any other plan maintained for employees (or retirees), but it is not intended to cover such a plan required by law, (e.g. social security).

For each plan report:

1. the identity thereof, and the employee group covered (e.g. management, non-management, executive officers, etc.)
2. whether the benefits are provided through an insurance carrier or directly by the company.
3. the total cost for the year.

Note: If any important change is made with respect to any such plan during the year, give brief particulars.

N/A

Employee Protective Plans (Continued)

ANALYSIS OF PENSION COST

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 through 21 and lines 29 through 32 the number of persons covered by the plan at the beginning of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on Page **. Use a separate insert sheet if more space is required.

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

ANALYSIS OF PENSION COST (Continued)		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ _____
2	Projected Benefit Obligation	\$ _____
3	Fair Value of Plan Assets	\$ _____
4	Unrecognized Transition Amount	\$ _____
5	Unrecognized Prior Service Costs	\$ _____
6	Unrecognized Gains or (Losses)	\$ _____
7	Date of Valuation Reported on Lines 1 through 6	_____
8	Discount Rate	_____
9	Expected Long-Term Rate of Return on Assets	_____
10	Salary Progression Rate (if applicable)	_____
	<u>Net Periodic Pension Cost:</u>	
11	Service Cost	\$ _____
12	Interest Cost	
13	Actual Return on Plan Assets [(Gain) or Loss]	
14	Deferral of Asset Gain or (Loss)	
15	Amortization of Transition Amount	
16	Amortization of Unrecognized Prior Service Cost	
17	Amortization of Gains or Losses	
18	Total Pension Cost	\$ _____ 0
19	Number of Active Employees Covered by Plan	
20	Number of Retired Employees Covered by Plan	
21	Number of Previous Employees Vested but Not Retired	
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution	\$ _____
23	Actual Contribution*	\$ _____
24	Maximum Amount Deductible*	\$ _____
25	Benefit Payments	\$ _____
26	Total Pension Cost	\$ _____
27	Pension Cost Capitalized	\$ _____
28	Accumulated Pension Asset/(Liability) at Close of Year	\$ _____
29	Total Number of Company Employees at Beginning of Policy Year	
30	Number of Active Employees Covered by Plan	
31	Number of Retired Employees Covered by Plan	
32	Number of Previous Employees Vested but Not Retired	
<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p>		

ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS AND TERMINATIONS

1. Report the amount of gains or losses arising from employee termination benefits or settlements, partial settlements, curtailments or suspensions of pensions or pension obligations during the year. If none have occurred, state "none" on line 5. If they qualified as "small settlements" under SFAS-88 and the company elected not to recognize the gain or loss, state "none" on line 5 and complete the applicable sections on the bottom of the form. Use separate forms to report the effect of each event and, if the event affected more than one plan, use separate forms for each plan. These events include:
 - a. purchases of annuity contracts.
 - b. lump-sum cash payments to plan participants.
 - c. other irrevocable actions that relieved the company or the plan of primary responsibility for a pension obligation and eliminates significant risks related to the obligation and assets.
 - d. an event that significantly reduces the expected years of future service for present employees who are entitled to receive benefits from that plan or that eliminates the accrual of benefits for some or all of the future services of a significant number of those employees.

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.
2. On lines 1-15 report activities for the holding company or parent company; on line 16-18 report details for the reporting company.
3. Report on line 1 the amount of overfunding remaining (excess of plan assets, adjusted for accrued or prepaid pension costs, over the Pension Benefit Obligation), if any, from when the company first complied with SFAS-87. The amount should be adjusted by the year-to-date amortization.
4. Report on line 2 the actuarial gains and losses that occurred in prior fiscal years following compliance with SFAS-87 but have not yet been amortized. The amount should be adjusted by the year-to-date amortization.
5. Report on line 3 the actual return on plan assets (the sum of investment income and appreciation).
6. Report on line 4 the expected return on plan assets (a component of the current-year expense calculation, which should be prorated for the elapsed portion of the current year).
7. Report on line 6 the Pension Benefit Obligation (PBO) updated from the previous year-end figure to the settlement date. This amount should reflect the addition of a pro rata portion of the service cost and interest cost and the subtraction of benefit payments. It should also reflect any plan changes made during the year.
8. Convert the basis points and percentages reported on line 7 and 8 to their decimal equivalents before entering them in the formula on line 9.
9. Report on line 17 the applicable Federal income tax rate. Although no tax is currently payable on the gain and loss, it should be reflected because it represents a reduction of future pretax pension expense.

State separately below for each reportable event having occurred since the company's initial compliance with SFAS-87, and for which amortization of deferred gains or losses was not completed by December 31 of last year, the (1) type of event, e.g. settlement or curtailment, (2) date of occurrence, (3) amount of gain or loss originally deferred, (4) period of amortization specified by beginning and ending dates, and (5) amount of the current year's amortization.

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS AND TERMINATIONS (Continued)

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
	PLAN		
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. _____
	Year-to-date asset gain or (loss):		
3	Actual return	3. _____	
4	Expected return	4. _____	
5	Gain or (loss): (3)-(4)		5. _____ 0
	Year-to-date liability gain or (loss):		
6	PBO at settlement date	6. _____	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. _____	basis points
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. _____	
9	Liability gain or (loss): {(6) x (7) x (8)} x 100 -- see instructions		9. _____ 0
	Settlement gain or (loss):		
10	Accounting value of obligation which was settled	10. _____	
11	Settlement cost (e.g., price of purchased annuity contract)	11. _____	
12	Settlement gain or (loss): (10)-(11)		12. _____ 0
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. _____ 0
14	Settlement ratio: (10)/(6)		14. _____ 0%
15	Pretax gain recognizable in current income: (13) x (14)		15. _____ 0
	REPORTING COMPANY		
16	Portion of amount on line 15 allocated to reporting company		16. _____
	Tax-affected gain:		
17	Tax rate	17. _____	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. _____ 0

Explain the basis of allocation used to derive the amount reported on line 16 from that reported on line 15:

For the amount reported on line 16 specify:

- the amount recorded as income for the current year _____
- the amount deferred on the balance sheet _____
- amortization period for the deferred amount (specify beginning and ending dates). _____

Briefly describe the event (e.g., settlement, curtailment or termination with short description of the change) and the date of its occurrence.

If the event involves the purchase of an annuity contract(s), state whether they are participating or nonparticipating contracts. If they are participating, explain the terms and state the cost difference between the contract(s) purchased and identical contracts without the participating feature.

If the event qualified as a "small settlement" under SFAS 88, and the company elected not to recognize the gain or loss, state:

- number of employees affected _____
- the cost of the settlement _____
- the amount of PBO settled _____

ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS

1. Report the requested data concerning Postretirement Benefits Other than Pensions (OPEB). For these schedules, the measurement date, calculation of the data requested, and separate reporting for different types of OPEB plans shall be consistent with the disclosure requirements specified in SFAS-106 (Paragraphs 72-89). If the reporting company's OPEB benefits are provided through a joint plan with its parent company or holding company, report under the columnar heading "Total Company" the data applicable to the total plan (i.e., that of the parent or holding company). The columnar heading "New York State Jurisdiction" refers to the New York State jurisdictional operations of the reporting company, exclusive of amounts applicable to subsidiary companies which are subject to the Commission's jurisdiction but are separately reported.
2. The quantification of amounts reported on Lines 1 - 12 shall be as of the date reported on Line 13.
3. Report on Lines 1 - 3 the actuarial present value of benefits attributed employees' service rendered to the date reported on Line 13.
4. Report on Line 4 the amount the OPEB plan(s) could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on Lines 5 and 6, the amounts applicable to OPEB that are recorded in internal reserves, net of their related deferred income tax effect. For New York State Jurisdictional Operations, creation of an internal reserve was required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and OPEB" (issued September 7, 1993).
6. Report on Line 10 the amount of unrecognized net gain or loss (including plan asset gains and losses not yet reflected in the market-related value of the plan assets).
7. Report on Line 11 the amount of unrecognized net asset gain or loss not yet reflected in the market-related value of plan assets.
8. In certain instances, a portion of the New York State Jurisdiction OPEB internal reserve may not be subject to the accrual of interest (e.g. in the company's last rate case a portion of the reserve may have been used to reduce rate base). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
9. Report on Line 14 the discount rate which was used to calculate the obligations reported on Lines 1-3.
10. Report on Line 15 the expected long-term return on plan assets reported on Line 4.
11. Report on Line 21 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on Line 24.
12. The amount reported on Line 24 is to include the amortization of gains and losses arising from changes in assumptions.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page **. Use a separate insert sheet if more space is necessary.

ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

Line No.	Item (a)	Total Company (b)
	<u>ANALYSIS OF OPEB COSTS</u>	
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ _____
2	Other Fully Eligible Plan Participants	\$ _____
3	Other Active Plan Participants	\$ _____
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ _____
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$ _____
6	Other	\$ _____
7	Other Plan Assets (Specify)	\$ _____
8	Unrecognized Transition Obligation	\$ _____
9	Unrecognized Prior Service Costs	\$ _____
10	Unrecognized Gains or (Losses)	\$ _____
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$ _____
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$ _____
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	_____
14	Discount Rate	_____
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	_____
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	_____
17	Salary Progression Rate (if applicable)	_____
	<u>NET PERIODIC OPEB COST</u>	
18	Service Cost	\$ _____
19	Interest Cost	_____
20	Actual Return on Plan Assets [(Gain) or Loss]	_____
21	Deferral of Asset Gain or (Loss)	_____
22	Amortization of Transition Amount	_____
23	Amortization of Unrecognized Prior Service Cost	_____
24	Amortization of (Gains) or Losses from Earlier Periods	_____
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	_____
26	Net Periodic OPEB Cost	\$ _____ 0

ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. Report on Line 3 items such as transfers of excess pension funds from the company's pension trust fund to an account set up under Section 401(h) of the Internal Revenue Code.
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 364.

Line No.	Item (a)	Total Company (b)
	EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS	
1	Fair Value of Plan Assets at Beginning of Period	
	Contributions to the Fund:	
2	Deposits of Company Funds	
3	Transfers from Pension Related Funds	
4	Other *	
5	Income or (Loss) Earned on Fund Assets	
6	Capital Appreciation or (Depreciation) of Fund Assets	
7	Cost Benefits Paid from the Fund To or For Plan Participants	
8	Other Expenses Paid By the Fund **	
9	Fair Value of Plan Assets at End of the Period	
		\$0

* Specify the source of any amount reported on Line 4.

** Specify the type and amount of any expenses reported on Line 8.

ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. The data requested on Lines 1 through 12 are for the internal reserve, the establishment of which is required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions" (Case 91-M-0890, issued and effective September 7, 1993). The amounts reported below are to be consistent with the definitions and intent contained in that Statement.
2. The "rate allowance" to be reported on Line 2 is the amount which was projected to be charged to expense accounts (i.e., not charged to construction, depreciation, nor the rate base allowance related to capitalized OPEB costs) in the company's latest rate proceeding, adjusted to actual applicable sales as per the above Policy Statement.
3. The amount reported on Line 9 less the amount on Line 10 should total the amount reported on Line 5 of Page 364.
4. In certain instances, a portion of the OPEB internal reserve may not be subject to the accrual of interest (e.g., in the company's last rate case, a portion of the reserve may have been used as a rate base reduction). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
5. The Commission's September 7, 1993 Policy Statement on pensions and OPEB stated that, except under certain circumstances, the difference between 1) the rate allowance for OPEB expense, plus any pension related or other funds or credits the company is directed to use for OPEB purposes, and 2) OPEB expense determined as required therein, are to be deferred for future recovery. Report on Lines 13 through 17 the amounts relating to this requirement.

Line No.	Item (a)	New York State Jurisdiction (b)
	OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE	
1	Balance in Internal Reserve at Beginning of the Period - [(Debit) / Credit]	
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	
3	Amount of OPEB costs actually charged to Construction	
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	
5	Interest Accrued on Fund Balance	
6	Cost Benefits Paid to or for Plan Participants	
7	Amount Transferred to an External OPEB Dedicated Fund	
8	Other Debits or Credits to the Internal Reserve *	
9	Balance in Internal Reserve at End of the Period	
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	
11	Interest Rate Applied to Internal Reserve Balances	
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	
	ACCUMULATED DEFERRED OPEB EXPENSE	
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	
14	Deferral Applicable to Current Year Variation	
15	Amortization of Previous Deferrals	
16	Accumulated Deferred Balance at End of Period	
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	
	* Briefly explain any amounts reported on Line 8.	

MISCELLANEOUS TAX REFUNDS

1. Report below particulars concerning all tax refunds received or used as a reduction of taxes payable during the year which are not more than \$1,500,000 and do not exceed \$1,000 or 0.2% of the utility's operating revenues. This information is requested in compliance with Section 89.3, Notification Concerning Tax Refunds, of 16NYCRR. This report shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication, or rulemaking (such as refunds for overpayment of estimated taxes, and carrybacks of net operating losses and investment tax credits).
2. In determining whether a refund exceeds 0.2% of operating revenues for purposes of this report, in the case of a gas, electric, steam, or combination utility, operating revenues shall be reduced by the amounts properly chargeable to the functional group of Production Operation and Maintenance expense accounts; in the case of a combination utility the refund shall be deemed to exceed 0.2% of operating revenues if, after the refund is allocated among the gas, electric and steam departments in a manner reflecting insofar as possible the extent to which the refund is related to each department's activities, one or more of the portions thus allocated exceeds 0.2% of the operating revenues of the department to which it is allocated.
3. In determining whether a refund meets the criteria stated in Instruction 1 above, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation legislation, adjudication or rulemaking.
4. In this report, the utility also shall either propose a method of distributing to its customers the entire amount refunded, or show why it should not make such a distribution.

LINE NO.	Description of Item (a)	Amount (b)
1		
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25		
26		
27		
28		
29		
30		
31		
32		
33		
34	Total	\$0

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Year Ended December 31, 2016

WATER PRODUCTION AND CONSUMPTION

1. Show quantities of water produced and purchased and the quantities delivered to consumers and lost or unaccounted for during the year. Where estimates are used, the bases thereof should be set forth in a footnote.

schedule separately for each plant.

2. If respondent has two or more major plants, show the information called for in this

3. Insert in the column headings preceding the abbreviation "gals." the initial letter of Thousand, Million or Billion to indicate the unit in which the quantities are expressed.

LINE NO.	Month (a)	Water Produced		C o n s u m p t i o n							Losses Accounted for				Losses Un- accounted for gals. (o)
					General		Public*		Respondent						
		Gravity gals. (b)	Pumped (M) gals. (c)	Water Purchased gals. (d)	Metered gals. (e)	Un- Metered gals. (f)	Metered gals. (g)	Un- Metered gals. (h)	Metered gals. (i)	Un- Metered gals. (j)	Pump Slip gals. (k)	Trans mission gals. (l)	Distri bution gals. (m)	Other - Hydrant Flushing gals. (n)	
1	Jan		8,668												
2	Feb		8,376												
3	Mar		8,996												
4	Apr		9,183												
5	May		10,316												
6	Jun		11,579												
7	Jul		11,899												
8	Aug		12,050												
9	Sep		12,353												
10	Oct		11,084												
11	Nov		10,618												
12	Dec		11,612												
13	Totals	0	126,734	0	89,271	0	0	0	0	0	0	0	0	2,976	34,487

*Includes all sales to public authorities except those made under service classifications having general consumer application.

Monthly figures unavailable because billing done on cycle basis.

SOURCES OF WATER SUPPLY

1. Show the requested information concerning surface water supply. In the lower section of the schedule insert in "Designation" column some letter or other symbol which will identify the reservoir with related water shed and structures described in the upper section.

state that fact in a footnote, and give full particulars concerning respondent's title.

2. If any property was held at the end of the year under any title other than full ownership,

3. Insert in the headings of columns (q) and (a) to (w) and column (y) the initial letter of Thousand, Million or Billion to indicate the unit in which the quantities are expressed.

LINE NO.	Designation of water shed (a)	D A M S						I N T A K E S					
		Area of water shed sq. miles (b)	Location (village or town) (c)	Year of construction (d)	Type and material (e)	Length ft. (f)	Maximum height ft. (g)	Number (h)	Kind (i)	Location (j)	Diameter in. (k)	Depth below surface ft. (l)	Length ft. (m)
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

LINE NO.	Designation (n)	Impounding Reservoirs					Draft during year			Draft during reservoir service			
		Year of Construction (o)	Natural or Artificial (p)	Capacity gals (q)	Spillway elevation ft. (r)	Est daily yield dry year gals (s)	Avg. daily gals (t)	Maximum Daily gals (u)	Minimum Daily gals (v)	Maximum Daily		Minimum Daily	
										gals (w)	Year (x)	gals (y)	Year (z)
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
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30													
31													
32													
33													

SOURCES OF WATER SUPPLY

1. Show the requested information concerning surface water supply. In column (b) indicate whether supply is from springs, wells, or infiltration galleries. Columns (f) to (l) relate to wells only, but other columns should also be filled out in respect of this source of supply.

3. In column (l) indicate whether Natural flow, Suction, Air lift, or Deep well pump.

2. If any property was held at the end of the year under any title other than full ownership, state that fact in a footnote, and give full particulars concerning respondent's title.

LINE NO.	Location (city, village or town) and designation of system (a)	Type of develop- ment (b)	Year of Construc- tion (c)	Number of each type (d)	Elevation (ground surface) ft.)* (e)	W E L L S							Average daily yield, thousand gals. (m)
						Type (driven, dug etc.) (f)	Depth ft. (g)	Minimum diameter of well in. (h)	Depth water below surface not. operating - ft. (i)	Draw down		Method of Operation (l)	
										Below static ft. (j)	Pumping at G.P.M. (k)		
1	Somers, NY	Well - 1	1975			Driven	66	12	5	30	230	Demand	176,166
2	Somers, NY	Well - 2	1975			Driven	54	12	5	23	70	Demand	off line
3	Somers, NY	Well - 3	1984			Gravel Packed	60	10	21	30	100	Demand	56,751
4	Somers, NY	Well - 4	1985			Gravel Packed	93	10	19	28	125	Demand	78,250
5	Somers, NY	Well - 5	1985			Gravel Packed	84	10	16	26	145	Demand	50,200
6													
7													
8													
9													
10													
11													
12													

* Above Sea Level

PUMPING STATION & FIRE SERVICE

1. Show the requested information concerning each pumping station in operation at any time during the year. expressed.

2. Where quantities of water are requested, insert in col. (a) preceding the abbreviation "gals." the initial letter of Thousand, Million, or Billion to indicate the unit in which entries

3. Utilize the blank spaces, column (a), for inserting designations against which are to be entered data separately for each pump, kind of fuel etc.

LINE NO.	Designation of Station**						
	I t e m (a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Location of station (city, village or town)	Somers, NY					
2	Elevation above sea level (ft.)	344'-8"					
3	Number of Pumps	3					
4	Water pumps with slip (.....gals.)	None					
5	Water pumps without slip (...M..gals.)	126.7					
6	Water pumps by sta. mass (.....gals.)						
7	How measured						
8	Average daily for each pump (gals....T.....)	347,219					
9							
10							
11							
12							
13							
14	Maximum daily output of station (..T..gals)	499,000					
15	Number of Pumps Used	2					
16	Date on which the above maximum occurred	06/19/16					
17	Max daily output of entire system	Same					
18	Date on which the above maximum occurred	Same					
19	Av. head against which each pump works	520 Ft.					
20							
21							
22	Kind of power (if system operates by gravity, so state)	Electric					
23	Kinds of fuel used	NYSEG					
24							
25	Unit of fuel						
26							
27	Fuel on hand at beginning of year						
28							
29	Quantity received during year						
30							
31	Average cost per unit						
32							
33	Quantity used for pumping						
34							
35	Quantity used for other than pumping						
36	Quantity on hand at end of year						
37	Avg. fuel or pwr. cost pergals. pumped						
38							
39	FIRE DATA						
40	Date of largest fire damage during year	Unknown					
41	Number of 250 g.p.m. fire streams used						
42	Duration of maximum fire draft (hrs.)						
43	Number of hydrants used.						
44	Total head required for max. fire draft (ft.)						

* If electric is used, give name of the company from which purchased. Where station is serving two zones designate according to zones.

PUMPING STATION & FIRE SERVICE (Continued)

4. In column (i), assign a designation no. or letter to each pump, which designation must be used to indicate performance of the particular unit under the captions on lines 8 and 19.

6. If pumpage data are not available for individual pumps, give the information per station.

5. If electricity was used, specify on lines 23 to 38 the requested quantities (kwh) and averages.

LINE NO.									Total (p)
	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
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34									
35									
36									
37									
38									

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

WATER TREATMENT SYSTEM

1. Show the requested information concerning the treatment system which was owned or operated at any time during the year covered by the report. If not in continuous operation, state in column (h), the beginning and end of the period of actual use within the year.

LINE NO.	Location (city, village or town) and designation of system (a)	Type (b)	Year of construction or installation (c)	Number of units, basins or beds (d)	Area of basins or beds sq. ft. (e)	Depth of basins or beds ft. (f)	Normal Daily capacityT.....gals* (g)	Method of Operation (h)
1 2 3 4 5 6 7 8 9	Somers, NY (Community)	Green Sand	1989	4	125 Ft. Each	3.33	281,940	Continuous
10	Maximum safe daily capacity							

*Prefix the initial letter of thousands, million or billion to indicate in which entries are expressed.

TREATMENT PROCESS

1. Show the requested information concerning Water Treatment Processes, the quantities treated by each process, and the chemicals used in connection therewith.

2. If respondent has two or more treatment plants, show the information separately for each plant.

3. Insert the heading of column (b) preceding the abbreviation "gals." the initial

letter of Thousand, Million or Billion to indicate the unit in which quantities are expressed.

4. If certain quantities of water are subject to more than one method of treatment, make suitable deduction on line 33.

5. In column (d) specify short tons gallons, or other unit in which quantities of chemicals in column (c) are expressed..

LINE NO.	Process (a)M.....gals. purified (b)	Kind (c)	Chemicals used		Total Cost (f)	Remarks (g)
				Units (d)	Number of Units (e)		
23 24 25 26 27 28 29 30 31	Sedimentation Coagulation Softening Iron Removal Filtration (Specify method) Aeration Chlorine Copper sulphate Other: Potassium Hydroxide		Potassium Permanganate	Pounds	140.0		
			Gaseous	Pounds	1,341.7		
			Liquid 45 %	Gallons	2,214.0		
32	Totals	0					
33	Less duplications:						
34	Quantity purified						
35	Quantity not purified						
36	Total available for distribution	0					

DISTRIBUTION RESERVOIRS AND STANDPIPES

1. Show the requested information concerning structures employed for storage of water in connection with the distribution system.

2. In column (i) indicate whether some is high pressure, low pressure, or other characteristics.

3. If any property was held at the end of the year under any title other than full owner-ship, state the fact in a footnote, and give full particulars concerning respondent's title.

LINE NO.	Location (city, village or town) and designation of system (a)	Elevation of overflow ft. (b)	Classification (c)	Year of construction (d)	Material (e)	Open or closed (f)	Dimensions ft.. (g)	CapacityM.....gals. (h)	Service zone supplied (i)
1	Somers, NY	856.112	Stand Pipe	1975	Steel	Closed	90' Dia	1	High & Low Press
2	Somers, NY	859.12	Stand Pipe	2004	Glass Lines Steel	Closed	25.18' Dia	0.104	High & Low Press
3									
4									
5									
6									
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MAINS

1. Show the requested information concerning mains in service of the respondent at the end of the year
 2. If any portion of the mains was held by respondent under any title other than full ownership, state that fact in a footnote and give the particulars concerning respondent's title.

LINE NO.	Municipality and designation of system (a)	Diameter of pipe in. (b)	Length of Pipe to the nearest foot							Total Length of Pipes	
			Cast Iron (c)	Wrought Iron (d)	Ductile Iron (e)	PVC (f)	(g)	(h)	(i)	Private right of way ft. (j)	Public Streets ft. (k)
1	Transmission and Distribution Mains	4"			3,100	38,786				41,886	
2		6"			50	36,778				36,828	
3		8"			2,000	47,788				49,788	
4		12"			9,375	11,516				20,891	
5		14"			2,450	0				2,450	
6											
7											
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32											

MAINS (Continued)

1. Show the requested information concerning mains in service of the respondent at the end of the year
 2. If any portion of the mains was held by respondent under any title other than full ownership, state that fact in a footnote and give the particulars concerning respondent's title.

LINE NO.	Municipality and designation of system (a)	Diameter of pipe in. (b)	Length of Pipe to the nearest foot							Total Length of Pipes	
			Cast Iron (c)	Wrought Iron (d)	(e)	(f)	(g)	(h)	(i)	Private right of way ft. (j)	Public Streets ft. (k)
1	Fire Mains				N/A						
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
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SERVICE PIPES

1. Show the requested information concerning the service pipes used in the delivery of water from the distribution mains. If the respondent has two or more separate distribution systems, the particulars for each should be separately stated.

2. State in a footnote upon what basis, if any, customers are charged for the installations of services.

3. If the respondent owns the services from the mains to the curb or property line, classify such services as "owned by respondent," and restrict the average length in column (g) to the portion of the service owned.

Line No.	Diameter In. (a)	Number at end of year				Material (f)	Average length feet (g)
		Total (b)	In Use (c)	Temporarily Inactive (d)	Advance connections, not yet used (e)		
1	<u>Owned by Respondent</u>						
2		0					
3		0					
4		0					
5		0					
6		0					
7		0					
8		0					
9		0					
10		0					
11		0					
12		0					
13		0					
14		0					
15		0					
16	TOTALS	0	0	0	0		
17	<u>Owned by Customers</u>						
18		0					
19		0					
20		0					
21		0					
22		0					
23		0					
24		0					
25		0					
26		0					
27		0					
28		0					
29		0					
30		0					
31		0					
32		0					
33		0					
34	TOTALS	0	0	0	0		

CUSTOMERS' METERS

1. Show the requested information concerning customers' meters in service or in stock during the year, and also the information called for concerning meters owned by customers.

3. If the respondent has two or more distribution systems, the entries hereunder should be identified with the system of which the meters form a part.

2. Under type, classify them as Displacement, Current, Compound, and Fire service.

Line No.	Type (a)	Size In. (b)	Owned by Company					Number In stock at end of year (h)	Owned by Customers	
			Annual		Seasonal				Beginning of Year (i)	End of Year (j)
			Beginning of Year (c)	End of Year (d)	Beginning of Year (e)	Mid-season maximum (f)	End of Year (g)			
1	Displacement	5/8 x 3/4	2,624	2,624				25	0	0
2	Displacement	1"	4	4				1	0	0
3	Displacement	1.5"	4	4				3	3	3
4	Displacement	2"	11	11				6	5	5
5	Displacement	3"	0	0				0	0	0
6										
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30										
31										
32										
33										
34	TOTALS		2,643	2,643	0		0	35	8	8

FIRE HYDRANTS

1. Show the requested information concerning fire hydrants used in furnishing water for public and private fire protection.

2. If respondent gives fire protection without direct charge, the hydrants used for such purpose should be so designated by appropriate footnotes.

3. If any unit listed hereunder was held at the end of the year under any title other than full ownership, give, in a footnote, particulars concerning respondent's title.

Line No.	Location (city, village or town) (a)	Size Hydrant (valve opening), in. (b)	Hose Connections		Steamer Connections		Diameter of pipe to main in. (g)	Number of Hydrants in Service			
			Number per Hydrant (c)	Size in. (d)	Number per Hydrant (e)	Size in. (f)		At beginning of year		At end of year	
								Owned by Company (h)	Not owned by company (i)	Owned by Company (j)	Not owned by company (k)
1	Public Fire Protection										
2		4 1/2	2	2 1/2	1	4 1/2	6"	211	5	211	5
3											
4											
5											
6											
7											
8											
9											
10											
11											
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31											
32											
33											
34							TOTALS	211	5	211	5

FIRE HYDRANTS (Continued)

1. Show the requested information concerning fire hydrants used in furnishing water for public and private fire protection.

2. If respondent gives fire protection without direct charge, the hydrants used for such purpose should be so designated by appropriate footnotes.

3. If any unit listed hereunder was held at the end of the year under any title other than full ownership, give, in a footnote, particulars concerning respondent's title.

Line No.	Location (city, village or town) (a)	Size Hydrant (valve opening), in. (b)	Hose Connections		Steamer Connections		Diameter of pipe to main in. (g)	Number of Hydrants in Service			
			Number per Hydrant (c)	Size in. (d)	Number per Hydrant (e)	Size in. (f)		At beginning of year		At end of year	
								Owned by Company (h)	Not owned by company (i)	Owned by Company (j)	Not owned by company (k)
1	<u>Private Fire Protection</u>										
2											
3											
4											
5											
6											
7											
8											
9											
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33											
34							TOTALS	-	-	-	-

NYSPSC 347-97

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STATE OF NEW YORK
Public Service Commission
5 Year Book Data - From FERC Form 1

HERITAGE HILLS WATER-WORKS CORPORATION

COMPARATIVE BALANCE SHEET

	Annual Report Source Page, Line (Column)	12/31/16
UTILITY PLANT		
Net Utility Plant	Pg 114, L 4 (d)	\$4,253,098
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (Net)	Pg 114, L 6 (d) - L 7 (d)	0
Other Investments	Pg 114, L 8, 9, 10 (d)	0
Sinking Funds and Other Special Funds	Pg 114, L 11, 12, 13 (d)	0
Total Other Property and Investments	Formula	0
CURRENT AND ACCRUED ASSETS		
Cash and Cash Equivalents	Pg 114, L 16=>21 (d)	621,424
Notes and Accounts Receivables - Net	Pg 114, L 22=>24 (d) - L 25 (d)	120,235
Receivables from Associated Companies	Pg 114, L 26, 27 (d)	0
Materials and Supplies	Pg 114, L 28 (d)	0
Prepayments	Pg 114, L 29 (d)	61,181
Accrued Utility Revenue	Pg 114, L 32 (d)	0
Misc Current and Accrued Assets	Pg 114, L 30, 31, 33 (d)	0
Total Current and Accrued Assets	Formula	802,840
DEFERRED DEBITS		
Unamort. Debt Expense	Pg 114, L 36 (d)	0
Other Deferred Debits	Pg 114, L 37=>43 (d)	191,990
Accumulated Deferred Income Taxes	Pg 114, L 44 (d)	0
Total Deferred Debits	Formula	191,990
Total Assets and Other Debits	Formula	5,247,928
PROPRIETARY CAPITAL		
Common Stock Issued	Pg 115, L 2, (d)	50,000
Preferred Stock Issued	Pg 115, L 3, (d)	0
Other Paid-in Capital	Pg 115, L 4=>8 - L 9=>10 (d)	0
Retained Earnings	Pg 115, L 11 (d)	79,644
Reacquired Capital Stock	Pg 115, L 12 (d) (-)	0
Total Proprietary Capital	Formula	129,644
LONG-TERM DEBT		
Long-Term Debt	Pg 115, L 21 (d)	620,044
CURRENT AND ACCRUED LIABILITIES		
Notes Payable	Pg 115, L 30 (d)	0
Accounts Payable	Pg 115, L 31 (d)	50,854
Payables to Associated Companies	Pg 115, L 32, 33 (d)	3,798,435
Customer Deposits	Pg 115, L 34 (d)	0
Taxes Accrued	Pg 115, L 35 (d)	0
Interest Accrued	Pg 115, L 36 (d)	0
Matured Long-Term Debt	Pg 115, L 38 (d)	0
Misc Current and Accrued Liabilities	Pg 115, L 37, 39=>42 (d)	522,951
Total Current and Accrued Liabilities	Formula	4,372,240
DEFERRED CREDITS		
Customer Advances for Construction	Pg 115, L 45 (d)	0
Other Deferred Credits	Pg 115, L 46 (d)	0
Accumulated Deferred Investment Tax Credits	Pg 115, L 47 (d)	0
Accumulated Deferred Income Taxes	Pg 115, L 50 (d)	126,000
Total Deferred Credits	Formula	126,000
OPERATING RESERVES		
Operating Reserves	Pg 115, L 28 (d)	0
Total Liabilities and Other Credits	Formula	\$5,247,928

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT
TOTAL UTILITY OPERATING INCOME

	Annual Report Source Page, Line (Column)	12/31/16
UTILITY OPERATING INCOME		
Operating Revenues	Pg 117, L 2 (e)	\$1,456,678
Operating Expense:		
Operation Expense	Pg 117, L 4 (e)	416,256
Maintenance Expense	Pg 117, L 5 (e)	72,620
Depreciation and Amortization Expense	Pg 117, L 6=>11 - L 12 (e)	154,355
Taxes Other than Income Taxes	Pg 117, L 13 (e)	372,689
Income Taxes	Pg 117, L 14=>16, 18, 19, - L 17 (e)	95,858
Total Operating Expenses	Formula	1,111,778
Net Operating Revenues	Formula	344,900
Other Utility Operating Income	Pg 117, L 23 (g), (i)	0
Total Utility Operating Income	Formula	344,900
OTHER INCOME		
Interest and Dividend Income	Pg 118, L 34 (c)	3,210
Allowance for Funds Used During Construction	Pg 118, L 35 (c)	
Miscellaneous Nonoperating Income	Pg 118, L 36 (c)	26,020
Other Income	Pg 118, L 28, 30, 32, 33, 37 - L 29, 31	0
Total Other Income	Formula	29,230
Other Income Deductions	Pg 118, L 43 (c)	7,285
Taxes-Other Income and Deductions	Pg 118, L 52 (c)	0
Income Available	Formula	366,845
INTEREST CHARGES		
Interest on Long-Term Debt	Pg 118, L 55=>57 - L 58, 59 (c)	31,269
Interest on Debt to Associated Co.	Pg 118, L 60 (c)	122,875
Other Interest Expense	Pg 118, L 61 - L 62 (c)	0
Total Interest Charges	Formula	154,144
Income Before Extraordinary Items	Formula	212,701
Extraordinary Items	Pg 118, L 70 (c)	0
Net Income	Formula	\$212,701

RETAINED EARNINGS		
Unappropriated (BOP)	Pg 120, L 1 (c)	(\$83,057)
Balance Transferred from Income	Pg 120, L 16 (c)	212,701
Appropriated	Pg 120, L 22 (c) (-)	0
Dividends Declared-Preferred Stock	Pg 120, L 29 (c) (-)	0
Dividends Declared-Common Stock	Pg 120, L 36 (c) (-)	50,000
Adjustments to Retained Earnings	Pg 120, L -9, 15, -37 (c)	0
Net Change	Formula	162,701
Unappropriated (EOP)	Formula	79,644
Appropriated (EOP)	Pg 121, L 45 (b)	0
Total Retained Earnings	Formula	\$79,644

CASH FLOW STATEMENT

	Annual Report Source Page, Line (Column)	12/31/16
Cash Flows From Operating Activities		
Net Income	Pg 122, L 2 (b)	\$212,701
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, Depletion & Amortization	Pg 122, L 4=>7 (b)	154,355
Bad Debts	Pg 122, L 4	(2,888)
Loss on Disposal of Fixed Assets	Pg 122, L 6	7,285
Deferred Taxes & ITCs	Pg 122, L 8, 9 (b)	14,000
Receivables and Inventory	Pg 122, L 10=>11 (b)	393,799
Payables and Accrued Expenses	Pg 122, L 12 (b)	(43,633)
Capitalized AFUDC - Equity Funds	Pg 122, L 15 (b) (-)	0
Equity In Loss (Earnings) Of Affiliates	Pg 122, L 16 (b) (-)	0
Other Adjustments - Interest Payable	Pg 122, L 17 (b)	0
Deferred Expense	Pg 122, L 18 (b)	2,208
Deferred income	Pg 122, L 18 (b)	39,365
Pepaid Expense	Pg 122, L 19=>20 (b)	(46,715)
Net Cash From Operating Activities	Formula	<u>730,477</u>
Cash Flows From Investing Activities		
Cash Outflows For Construction	Pg 122, L 32 (b)	(75,674)
Acquisition Of Other Non-Current Assets	Pg 122, L 34=>36 (b)	0
Investments In & Advances to Affiliates.	Pg 122, L 37 (b)	0
Contributions & Advances from Affiliates	Pg 122, L 38 (b)	0
Net Proceeds - Sale Or Disposition Of:		
Property, Plant & Equipment	No Entry	
Investments in Affiliated Companies	Pg 122, L 40, 41 (b)	0
Other Debt & Equity Investments	Pg 122, L 42, 43 (b)	0
Other Non-Current Assets	Pg 123, L 44=>46 (b)	0
Other Cash Flows - Investing Activities	Pg 123, L 47=>49 (b)	0
	Pg 123, L 50=>52 (b)	0
Net Cash From Investing Activities	Formula	<u>(75,674)</u>
Cash Flows From Financing Activities		
Net Proceeds (Payments) - Issuing & Retiring:		
Long-Term Debt	Pg 123, L 58, 61, 62, 70, 73, 74 (b)	0
Common Stock	Pg 123, L 60+72 (b)	0
Preferred Stock	Pg 123, L 59+71 (b)	0
Short-Term Debt	Pg 123, L 63, 75 (b)	(226,168)
Dividends Paid	Pg 123, L 77, 78 (b)	(50,000)
Other Cash Flows - Financing Activities	Pg 123, L 64=>66, 76 (b)	0
Net Cash From Financing Activities	Formula	<u>(276,168)</u>
Net Increase/(Decrease) In Cash Equivalents	Formula	378,635
Cash & Cash Equivalents At Beginning Of Year	Pg 123, L 85 (b)	242,789
Cash & Cash Equivalents At End Of Year	Formula	\$621,424

STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE

	Annual Report Source Page, Line (Column)	12/31/16
REVENUES		
Residential Sales	Pg 300, L 2 (d)	\$1,321,237
Commercial and Industrial Sales	Pg 300, L 3, 4 (d)	49,045
Fire Protection Service	Pg 300, L 5, 6 (d)	76,126
Sales for Resale	Pg 300, L 9 (d)	0
Other Sales	Pg 300, L 7, 8, 10 (d)	0
Other Operating Revenues	Pg 300, L 19 (d)	10,270
Total Water Operating Revenues	Formula	\$1,456,678

WATER SALES (Thousands of Gallons)		
Residential Sales	Pg 300, L 2 (f)	83,793
Commercial and Industrial Sales	Pg 300, L 3, 4 (f)	5,478
Fire Protection Service	Pg 300, L 5, 6 (f)	0
Sales for Resale	Pg 300, L 9 (f)	0
Other Sales	Pg 300, L 7, 8, 10 (f)	0
Total Sales of Water	Formula	89,271

AVERAGE CUSTOMERS PER MONTH		
Residential Sales	Pg 300, L 2 (h)	2,606
Commercial and Industrial Sales	Pg 300, L 3, 4 (h)	37
Fire Protection Service	Pg 300, L 5, 6 (h)	2,643
Sales for Resale	Pg 300, L 9 (h)	0
Other Sales	Pg 300, L 7, 8, 10 (h)	0
Total Customers	Formula	2,487

OPERATING REVENUE RELATIONSHIP

RESIDENTIAL SALES		
Average Annual Bill per Customer	Formula	\$507.00
Average Consumption per Customer (T.Gal)	Formula	32
Average Revenue per T Gallons Sold	Formula	15.77

COMMERCIAL/INDUSTRIAL SALES		
Average Annual Bill per Customer	Formula	\$1,325.54
Average Consumption per Customer (T.Gal)	Formula	148
Average Revenue per T Gallons Sold	Formula	8.95

OPERATION AND MAINTENANCE EXPENSES

Source of Supply	Pg 307, L 19 (b)	\$1,015
Pumping	Pg 307, L 37 (b)	90,694
Water Treatment	Pg 308, L 51 (b)	28,877
Transmission and Distribution	Pg 308, L 74 (b)	103,187
Customer Accounting and Collecting	Pg 308, L 87 (b)	(2,888)
Sales	Pg 309, L 90 (b)	0
Administrative and General	Pg 309, L 113 (b)	267,991
Total O & M Expense	Formula	\$488,876

DISTRIBUTION OF WATER REVENUES

	Annual Report Source Page, Line (Column)	12/31/16
Revenues	Formula	\$1,456,678
Sales (Thousands of Gallons)	Formula	89,271
DOLLAR AMOUNTS		
Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	\$85,317
Wages and Benefits	Formula	0
Other Operation and Maintenance Expense	Formula	403,559
Depreciation and Amortization Expense	Formula	154,355
Income Taxes-Operating	Formula	95,858
Other Taxes-Operating	Formula	372,689
Capital Costs	Formula	344,900
Total	Formula	\$1,456,678
PERCENT OF REVENUES		
Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	5.9
Wages and Benefits	Formula	0.0
Other Operation and Maintenance Expense	Formula	27.7
Depreciation and Amortization Expense	Formula	10.6
Income Taxes-Operating	Formula	6.6
Other Taxes-Operating	Formula	25.6
Capital Costs	Formula	23.7
Total	Formula	100.0
DOLLARS PER THOUSAND GALLONS SOLD		
Purchased Water, Fuel or Power for Pumping, and Chemicals	Formula	0.96
Wages and Benefits	Formula	0.00
Other Operation and Maintenance Expense	Formula	4.52
Depreciation and Amortization Expense	Formula	1.73
Income Taxes-Operating	Formula	1.07
Other Taxes-Operating	Formula	4.17
Capital Costs	Formula	3.86
Total	Formula	16.32

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

Purchased Water	Pg 307, L 5 (b)	0
Fuel for Pumping	Pg 307, L 25 (b)	63,724
Chemicals	Pg 307, L 41 (b)	21,593

Total PW, Fuel and Chemicals	Formula	85,317
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Wages and Benefits

Salaries	Pg 354, L 26 (d)	0
Pensions and Benefits	Pg 309, L 100 (b)	0
Total Wages and Benefits	Formula	0

Other Expenses

Total O&M Expenses	Formula	488,876
-Total PW, Fuel and Chemicals	Formula	85,317
-Wages and Benefits	Formula	0

Other Expenses	Formula	403,559
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Depreciation and Amortization

Depreciation Exp	Formula	154,355
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Total Depre and Amort	Formula	154,355
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Income Taxes-Operating

Income Taxes- Operating	Formula	95,858
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Other Taxes-Operating

Other Taxes-Operating	Formula	372,689
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COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS

Plant in Service	Annual Report Source Page, Line (Column)	12/31/16
Intangible	Pg 203, L 5 (g)	\$0
Source of Supply	Pg 203, L 15 (g)	818,926
Pumping	Pg 203, L 26 (g)	247,842
Water Treatment	Pg 203, L 31 (g)	501,532
Transmission and Distribution	Pg 203, L 43 (g)	6,083,614
General	Pg 205, L 56 (g)	12,643
Purchased or Sold	Pg 200, L 5=>7 (c)	0
Total Plant in Service	Formula	7,664,557
Plant Leased To Others	Pg 200, L 9 (c)	0
Construction Work In Progress	Pg 200, L 11 (c)	0
Plant Held For Future Use	Pg 200, L 10 (c)	0
Plant Acquisition Adjustments	Pg 200, L 12, 13 (c)	0
Accum. Gains & Losses - Utility Land & Land Rights	Pg 200, L 14 (c)	0
Total Plant	Formula	7,664,557
Accum. Prov. - Depr. & Amort.	Pg 200, L 16 (c)	3,411,459
Net Plant	Formula	\$4,253,098

SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	Formula	0.18
Total Capitalization	Formula	\$129,644
<u>Percent Of Capitalization (incl S-T Debt)</u>		
Long-Term Debt	Formula	0.0%
Preferred Stock	Formula	0.0%
Common Stock & Retained Earnings	Formula	100.0%
Short-Term Debt	Formula	0.0%
Pretax Coverage of Interest Expense	Formula	3.0
Com. Stock Dividends as a % of Earnings	Formula	23.5%
Return on Common Equity	Formula	328.1%
Internal Cash Generated as a % of Cash Outflows for Construction	Formula	-965.3%
CWIP as a % of Plant	Formula	0.0%
Number of Employees	Formula	0

5 Year Book Source

Current Assets	Pg 1, L 13	802,840
Current Liabilities	Pg 1, L 34	4,372,240
Total Capitalization	Formula	129,644
Long-Term Debt	Pg 1, L 25	0
Preferred Stock	Pg 1, L 20	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	Pg 1, L 24 - 20	129,644
Short-Term Debt	Pg 1, L 26, 32	0
Pretax Income	Pg 2, L 6, 10, 15 - L 16	469,988
Interest Expense	Pg 2, L 22	154,144
Dividends Paid	Pg 3, (L 28)	50,000
Net Income (Excl. Preferred Stock Dividends)	Pg 3, L 25 - 29	212,701
Internal Cash	Pg 3, L 11	730,477
Cash Outflows for Construction	Pg 3, (L 12)	75,674
CWIP	Pg 6, L 10	0
Total Plant	Pg 6, L 14	7,664,557
Number of Employees	A/R - Pg 309, L 4	0

Annual Report of HERITAGE HILLS WATER-WORKS CORPORATION

Year Ended December 31, 2016

VERIFICATION

The Public Service Law requires that "... it shall be the duty of every such person and corporation to file with the Commission an annual report, verified by oath of the president, vice-president, treasurer, secretary, general manager, or receiver, if any, thereof, or by the person required to file the same. The verification shall be made by said official holding office at the time of the filing of said report, and if not made upon the knowledge of the person verifying the same shall set forth the sources of his information and the grounds of his belief as to any matters not stated to be verified upon his knowledge."

State of .Connecticut.....)

) SS.:

County of .New Haven.....)

.....Keith J. Sorensen.....makes oath and

says: I am the ...President of ... Heritage Hills Water Works Corp.....
 (Here insert the official title of the deponent) (Here insert exact name of the reporting company)

I am familiar with the preparation of the foregoing report know generally the contents thereof. The said report which

consists of

(Here insert exact identification of the sections and pages comprising this report)

9 pgs. Audited Financial Statements Pages 101-125, 250-67, 300-321, 350-367,
 400-411, 412

is true and correct to the best of my knowledge and belief. As to matters not actually stated upon my knowledge,

the sources of my information and the grounds for my belief are as follows:

Books and records of the corporation

 Signature

Subscribed and sworn to before me a Notary Public
 in and for the county above named.

My commission expires: 10/31/18

this ..29th..... day of ..March, 2017....

[use an im-

L.S.

pression seal]

 (Signature of officer authorized to administer oaths)

Janet B. Titus, Notary Public

(This space for use of the Public Service Commission)

Computed

Examined

Reviewed

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