



CROWE CHIZEK

July 10, 1997

Sumonta Jarupan
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43266-0573

RE: Utility Operators Corporation

Dear Sumonta:

Enclosed please find a response to your letter of June 30, 1997 relating to the Summary of Deficiencies in the PUCO 1996 Annual Report (copy enclosed).

In reference to Item 1, I personally spoke with David Kirk of PUCO on January 23, 1997. He indicated that Utility Operators Corporation should continue to use the old method of depreciation for 1996 because the rates would need to be re-evaluated in 1997 anyway. Please send to Utility Operators Corporation and to me any correspondence relative to the new depreciation rates.

Item 2 has been addressed on the corrected page 10 enclosed.

Should you have any questions, or need any additional information, please call.

Sincerely,

Dale R. Shridner CPA

enclosures

cc: Utility Operators Corporation

Company Name: Utility Operators Corporation

Type of Utility: Sewer Utility

Summary of Deficiencies: see below

Date Reviewed: June 16, 1997 Co. Contact Person: Mr. John Grosse

Title: President

Reviewer: Ed Richardson Address: 807 Kinneer Road

Columbus, OH 43212

Phone: (614) 481-4150

1. Page 26, Schedule 9B, Company is not using prescribed depreciation accrual rates approved in Case No. 91-685-ST-COL.
2. Page 10, Schedule 4, Ending balance of \$18,739 does not include \$1,756 (Account 146). Math error goes no further than just the total current and accrued assets.

SCHEDULE: 4

BALANCE SHEET					
Acct. No.	Account Title	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
156 (150)	Other Materials and Supplies				
163	Store Expense				
166	Prepayments	34			
171	Interest and Dividends Receivable				
172	Utility Plant				
	Rents Receivable				
173	Accrued Utility Revenues				
174 (170)	Misc. Current and Accrued Assets	30			
	TOTAL CURRENT AND ACCRUED ASSETS (131-174)		44,856	20,495	(24,361)
	DEFERRED DEBITS				
181	Unamorti. Debt Discount and Expense				
182	Extraordinary Property Losses	30			
183	Preliminary Survey & Invest. Charges				
184	Clearing Accounts				
185	Temporary Facilities		0	2,477	2,477
186 (183)	Miscellaneous Deferred Debits	31			
187	Research and Develop. Expenditure	31			
	TOTAL DEFERRED CREDITS (181-187)				
	TOTAL ASSETS AND OTHER DEBITS		458,292	424,292	(34,000)
	EQUITY CAPITAL				
201	Common Stock Issued	32			
202	Common Stock Subscribed				
203	Common Stock Liabil. for Conversion				
204	Preferred Stock Issued	32			
205	Preferred Stock Subscribed				
206	Pref. Stock Liability for Conversion				
207	Premium on Capital Stock				
208	Donations Rcvd. from Stockholders				
209	Reduction in Par or Stated Value of Capital Stock				
210	Gain on Resale or Cancellation of Reacquired Capital Stock				
211	Miscellaneous Paid-In Capital				
212	Installmnts. Rcvd. on Capital Stock				
213	Discount on Capital Stock				
214	Capital Stock Expense				
215	Appropriated Retained Earnings				
216	Unappropriated Retained Earnings	16	233,445	223,950	(9,495)
217	Reacquired Capital Stock				
218	NonCorporate Proprietorship	16			
	TOTAL EQUITY CAPITAL (201-218)		233,445	223,950	(9,495)